| | | |
|---|---|---|
| Austria ... Sch. 18 | Indonesia .. Rp 2500 | Portugal ... Esc 75 |
| Bahrain .. Din 0.650 | Italy ...... L 1100 | S. Arabia .. Rls 6.00 |
| Belgium ... BFr 38 | Japan ...... Y550 | Singapore .. S$ 4.10 |
| Canada .... C$2.00 | Jordan ... Fils 500 | Spain .... Pta 100 |
| Cyprus .. Mils 600 | Kuwait ... Fils 500 | Sri Lanka ... Rup 30 |
| Denmark .. Dkr 7.25 | Lebanon ... £L 6.00 | Sweden ... Skr 8.50 |
| Egypt .... E£1.00 | Luxembourg . LFr 38 | Switzerland SFr 2.00 |
| Finland .. Fmk 5.90 | Malaysia .. Rin 4.25 | Taiwan .... NT $85 |
| France .. FFr 6.00 | Mexico ... Pes. 300 | Tunisia .. Din 0.600 |
| Germany . DM 2.20 | Morocco ... Dh 6.00 | Turkey ..... L 180 |
| Greece ..... Dr 60 | Netherlands . Fl 2.50 | U.A.E. .... Dh 6.50 |
| Hong Kong . HK$ 12 | Norway ... Nkr 6.00 | U.S.A. .... $1.50 |
| India .... Rup. 15 | Philippines . Pes. 20 | |

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,302 Thursday April 19 1984 D 8523 B


**High-tech black spot on Germany's road to recovery, Page 18**

## NEWS SUMMARY

### GENERAL

## Soviets cool on chemical war curb

**Soviet initial reaction to the details of the U.S. proposals for a world ban on production and stockpiling of chemical weapons was cool yesterday.**

U.S. Vice-President Mr George Bush outlined the treaty provisions to the 40-nation U.N. disarmament conference in Geneva.

They included some of the toughest verification measures ever demanded. The Soviet Union did say it would study the proposals. Page 18

### Hong Kong decision

British Foreign Secretary Sir Geoffrey Howe, who arrived in Hong Kong from Peking, is expected to confirm today that British administration of the colony will cease in 1997, the year when Britain's lease over most of the territory expires.

### Capital curfew

The Punjab capital Chandigarh was put under curfew after nearly 50 police were injured when Hindus rioted during the funeral procession for a leader killed by extremists. Two Pakistani pilots were arrested after their aircraft landed on a disused airstrip. Page 4

### Sri Lanka killings

Sri Lankan Government admitted that more than 50 people had been killed in the latest unrest among the Tamil minority.

### China space success

China said that the communications satellite it launched on April 8 had been successfully positioned in geostationary orbit

### 170 police hurt

About 170 police were hurt in the most serious anti-government demonstration in Seoul, South Korea, this year.

### Soviet nepotism

Soviet newspaper Pravda reported that the director and Communist Party chief of a north Caucasus medical school provided 120 relatives with jobs and over-marked students' examination papers for bribes. Both were dismissed.

### French school law

French Government approved a controversial draft law to bring the country's private schools, mainly Catholic, under closer state supervision. Page 3

### Antigua PM back

Antigua and Barbuda Premier Vere Bird was re-elected for a five-year term.

### Corsica bomb attacks

Corsica bomb attacks damaged banks, shops, offices and a police van.

### Eiffel parachutists

Two Londoners, a man and a woman, parachuted from the 300m (1,000 ft) high third stage of Paris's Eiffel Tower, and disappeared on landing before police arrived.

### Mozambique push

Right-wing rebels in Mozambique claimed a year of successes against Government forces and said they were stepping up their drive on the capital Maputo.

### Soviet ban may go

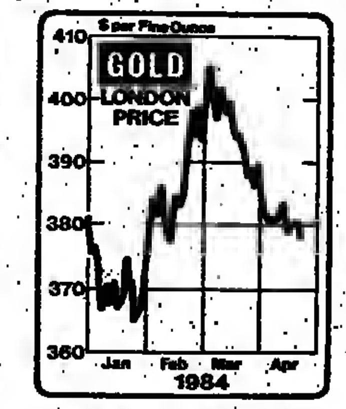
Citizens of Glen Cove, Long Island, New York, have recommended lifting the ban on locally-based Soviet diplomats using municipal recreation areas.

### BUSINESS

## German high-tech exports slipping

**THE BUNDESBANK**, in its 1983 report, said that West Germany and its key European partners were slipping behind the Japanese in high-technology exports. The central bank also said that in 1979-1983 German wage unit costs rose by 15 per cent while its 13 main competitor countries' increase averaged 29 per cent. Page 18

**EUROBOND** market sprung to life yesterday with the launch of $900m in new paper, including a $500m convertible bond from Texaco. Page 42




**GOLD** fell $2.25 in London to $378. In Frankfurt it moved up $0.25 to $380.5, and in Zurich it closed unchanged at $380.25. Page 40

**DOLLAR** finished slightly firmer, rising to DM 2.6485 (DM 2.6425), FFr 8.1535 (FFr 8.1341), and SwFr 2.194 (SwFr 2.192), but falling to Y224.85 (Y225). Its Bank of England trade weighting was up from 127.5 to 127.7. Page 41

**STERLING** fell 25 points to $1.418, and to SwFr 3.1125 (SwFr 3.115) and Y319 (Y320), but rose to DM 3.7575 (DM 3.755) and FFr 11.56 (FFr 11.5525). Its trade weighting eased from 79.8 to 79.7. Page 41

**LONDON:** FT industrial Ordinary index gained 8.8 to reach 888.6. Government securities registered some small falls. Report, Page 35. FT Share Information Service, Pages 36-37

**TOKYO:** Nikkei Dow index advanced 26.45 to 10,932.85, but the Stock Exchange index slipped 1.37 to 853.6. Report, Page 31. Leading prices, other exchanges, Page 34

**WALL STREET:** Dow Jones Industrial Average was down 7.45 at 3pm, on 1,157.14. Report, Page 31. Full share prices, Pages 32-34

**AT&T**, the U.S. Telecommunications group, reported first-quarter profits of $225.9m after the January 1 Bell system split. But it does not expect to meet November's full-year earnings forecast. Page 18

**AMR**, parent of American Airlines, reported a first-quarter net profit of $60.3m, compared with a $28.1m loss last year.

**COMPANHIA Vale do Rio Doce** of Brazil, world's leading iron ore exporter, reported net profits 360 per cent up at Cr 197bn ($320m). Page 19

**COCA-COLA**, world's largest soft drinks company, reported first-quarter net income 11.7 per cent up at $136m. Page 18

**The Financial Times will not be published tomorrow or on Monday because of the Easter holidays. The Saturday edition will be published as normal from London.**

**The editorial content of today's international edition has been restricted because of industrial action by IG Druck und Papier at Frankfurter Societäts-Druckerei, where the edition is printed. This prevents the publication of late-breaking news, the final Wall Street report and closing U.S. share prices.**

# Mitterrand calls confidence vote to test Communists

BY DAVID HOUSEGO AND PAUL BETTS IN PARIS

**The French Communist Party's continued participation in the coalition Government was in the balance last night after the decision by the Cabinet to seek a vote of confidence in the National Assembly today.**

The vote will be on a declaration of policy by M Pierre Mauroy, Prime Minister, which will cover the thorny issues in dispute between the Socialists and Communists. These include industrial policy, the recent steel closures and wage moderation.

President François Mitterrand's intention is to force the Communists into a humiliating submission by extracting from them allegiance to policies which in recent weeks they have publicly disowned. Should the Communists abstain or vote against the declaration today, their action would entail the break up of the coalition of the left which is almost three years old.

M George Marchais, secretary-general of the party, said at a press conference yesterday that the way the Communists voted today would depend on what M Mauroy said. "We will listen to the Prime Minister's speech," he declared. "Our group will then discuss it and we will take our decision."

But M Marchais made quite clear his opposition to the Government's present industrial restructuring policy and to the recently announced steel closures. The Government's industrial policy "is not of a nature to enable us to achieve the targets" agreed between the Socialists and Communists in 1981, he said and blamed the policy for the sharp rise in unemployment in recent months.

The outcome of tomorrow's vote will depend largely on whether M Mauroy decides to provide the Communists with an escape hatch by phrasing policy objectives in sufficiently general terms for the Communists to feel they can subscribe to them. Their objective is to remain in the Government while preserving their freedom to criticise policy. It is this two-faced attitude that the Socialists find intolerable.

President Mitterrand told the Cabinet that he wanted to see the unity of the Left preserved. But he said that both parties must bear their share of the responsibilities; "that is to say of the difficulties."

In seeking a test of strength with the Communists, M Mitterrand is taking a considerable risk. If he succeeds in forcing a submission from the Communists today, his own prestige will be enhanced and he will have gone a step towards eroding the already dwindling credibility of the French Communist Party.

On the other hand, the break-up of the coalition would worsen the Government's labour problems and leave the Left far more vulnerable to defeat in the legislative elections of 1986.

Socialist deputies generally reacted favourably to the Government's initiative yesterday, believing that the time has come to force the Communists to toe the line. They were particularly angered by M Marchais taking part in the steelworkers' march through Paris last week

Continued on Page 18

# UK recovery produces surge in new jobs

BY PHILIP STEPHENS IN LONDON

THE NUMBER of people in work in Britain jumped by 118,000 in the last three months of 1983, the highest quarterly rise for five years, as economic recovery brought a surge of new jobs in service industries.

Mr Tom King, Employment Secretary, called the figures "the most heartening news yet on the jobs front," while Mr Nigel Lawson, Chancellor of the Exchequer, said that service industries had created 250,000 new jobs in Britain since March of last year.

The rise in the employment total in the last three months of 1983 followed smaller increases in the previous two quarters, reversing the trend towards a shrinking workforce.

Manufacturing continued to shed labour, however, losing about 180,000 jobs in the whole of 1983.

Within the services sector, wholesale and retail distribution accounted for more than half of the new jobs, with banking and financial services, and hotels and catering providing the bulk of the rest.

The increase in the number of jobs however, has not reversed the rising trend of unemployment.

Official estimates put the increase in the British workforce at about 130,000 in 1983. With 150,000 new jobs created, this should have pointed to a small reduction in the number of unemployed.

Instead the number of registered jobless grew by an underlying 140,000 over the year and showed further increases in the first few months of 1984.

Ministers are looking at various possible explanations. These include a suspicion that many of the new jobs in services are being taken by women who had previously not registered as unemployed, and by school-leavers who are not included in the adjusted jobless figure.

The figures underline the strong productivity gains in British industry last year, which proved a major force in holding down inflation despite buoyant growth in average earnings.

Revised figures show that unit labour costs in manufacturing were growing by less than 2 per cent annually during the second half of last year, while for the whole economy the increase was below 3.5 per cent.

The growth in unit costs in manufacturing crept up just over 3 per cent in the first two months of 1984, but officials are confident that the pace of productivity gains will remain strong.

The Central Statistical Office announced yesterday that its longer leading indicator, which predicts activity in the economy a year ahead, rose in March for the fifth consecutive month to reach 112.3 (1980 = 100).

It also said that industrial and commercial companies' financial surplus, which comprises undistributed income minus capital investment, soared to £6.7bn ($9.5bn) last year from £3.6bn in 1982.

Kinnock attacks Government over miners, Page 10

# Ambrosiano magistrates warn Vatican bank over assets

BY ALAN FRIEDMAN IN MILAN

THE VATICAN bank, Istituto per le Opere di Religione (IOR), has been officially informed by Milan magistrates investigating the 1982 collapse of Banco Ambrosiano that it could have its assets seized if the IOR is proved to be one of the parties responsible for the failure of the bank.

According to judicial officials in Milan, the IOR has now been cited for the first time as an institution. Until now only senior officials of the Vatican Bank, including Archbishop Paul Marcinkus, the chairman, have been notified that they are under investigation in connection with various aspects of the Ambrosiano affair.

Yesterday's citation of possible "civil liability" marks the first time the entire Vatican bank has been told it could have its assets attached legally.

The IOR, which directly and indirectly owned ten of the overseas dummy companies to which Ambrosiano lent $1.3bn, has already agreed to pay $250m, a major part of the forthcoming $600m financial settlement for 120 main creditor banks of Banco Ambrosiano.

But despite its involvement with the late Sig Roberto Calvi, the Ambrosiano chairman who was found dead in the City of London, the IOR has steadfastly refused to accept any responsibility. The $250m payment to Ambrosiano creditors is described by Vatican officials as a "good will" gesture only.

The citation of the IOR comes as a result of complaints lodged by a handful of small shareholders of the failed Banco Ambrosiano. In all, there were some 40,000 shareholders who lost their money and were offered instead warrants to purchase shares in the successor, Nuovo Banco Ambrosiano, which is owned by a pool of seven Italian institutions.

The notice is believed to have been delivered through diplomatic channels to Archbishop Marcinkus, who as chairman is the legal representative of the IOR. Monsignor Marcinkus has been at the centre of controversy for some time and was only recently viewed as having lost stature in a major reshuffle of the Vatican administration which was ordered by the Pope.

The magistrates' decision to cite the entire Vatican bank comes at a sensitive moment in the long-running Ambrosiano affair.

After many months of tortuous negotiations, liquidators and creditors of the collapsed bank have finally agreed a draft formula for the overall financial settlement

# UN offer on siege at Libyan embassy

By Our London Staff

ARMED BRITISH police last night continued to encircle the Libyan People's Bureau in London, the country's embassy, as diplomatic negotiations tried to resolve the impasse.

Only one man, a Libyan journalist, has left the embassy since someone inside the building fired a machine gun on Tuesday morning at demonstrators outside, killing a policewoman and injuring 10.

Sr Javier Perez de Cuellar, the United Nations secretary-general, said last night he was personally available to mediate if both sides wanted him to. The Libyan Government had requested he should intervene.

Sr de Cuellar was in London yesterday attending a UN conference. It was confirmed that he had had a number of contacts with British Foreign Office ministers.

Mr Richard Luce, Minister of State at Foreign Office, last night had a 40-minute meeting with Mr Muftah Fitouri, a Libyan diplomat who had earlier visited the People's Bureau, in St James's Square in the heart of London's West End. There are estimated to be between 20 and 30 Libyans inside the building.

Mr Fitouri, an accredited diplomat at the People's Bureau, was told by Mr Luce of the British Government's outrage at the shooting. Mr Luce repeated the demand of Mr Leon Brittan, the Home Secretary, that the Libyans should leave the bureau and allow police into the building.

Mr Brittan said yesterday that the killer must be brought to justice. It was significant that Mr Luce made one concession from the Government's stated position. He said that Libyan officials would be permitted to accompany the police in their search.

In Libya, three Britons have been detained in a move seen as a warning to Britain not to attempt to storm the bureau. In Tripoli, thousands of revolutionary students have ringed the embassy.

The UK Foreign Office said last night that it understood that the embassy staff would be allowed to return to their homes, which were under guard. "This is a development which we welcome," the Foreign Office said.

The British Government's dilemma is worsened by the presence in Libya of about 8,000 Britons and the need not to provoke Col Muammer Gadaffi, the Libyan leader, into taking reprisals.

Background, Page 4; Editorial comment, Page 18

# EEC budget support loan faces UK veto

BY IVO DAWNAY IN BRUSSELS

THE EEC Commission yesterday asked the Community's 10 member states for a repayable loan of 2.33bn European currency units ($1.94bn) to make up for the budgetary overspending that threatens to bankrupt the Community later this year.

The plan is undoubtedly the least contentious and most palatable of the options open to the Commission to cover the 1984 budget deficit, but other EEC governments are in no doubt that the UK will veto agreement on the loan until the British budget rebate issue has been resolved.

West Germany would be asked to provide the biggest share of the loan – almost 29 per cent. France would be asked for about 23 per cent, Britain 20 per cent and Italy 15 per cent with the balance split among the remaining six Community members.

The loan proposal was given a muted reception at a meeting of Coreper, the EEC ambassadors' committee, yesterday, when it was agreed that a further examination of the Commission's figures should take place.

Only the British indicated outright hostility to the plan, contending that further efforts should be made to contain spending within existing budgetary limits.

The UK argument, confirmed last night by the Foreign Office, was a clear warning to other governments that it will not budge from its long-held position that no new resources can be made available to the Community without a satisfactory deal on Britain's budgetary contributions.

**LOAN DEMAND**
**The price to EEC states***

| | % |
|---|---|
| West Germany | 28.75 |
| Belgium | 3.45 |
| Denmark | 1.99 |
| France | 22.78 |
| Greece | 1.58 |
| Ireland | 0.86 |
| Italy | 15.32 |
| Luxembourg | 0.25 |
| Netherlands | 4.98 |
| UK | 20.04 |

** Under the Commission plan, apportionment of the Ecu 2.3bn loans would breakdown on the basis of the current VAT contributions listed in percentages above.*

Continued on Page 18

# Chrysler profits at record $705.8m

BY TERRY DODSWORTH IN NEW YORK

CHRYSLER, the U.S. car company which was in the depths of a financial crisis three years ago, surged to net profits of $705.8m in the first quarter of 1984 – a figure which exceeded the group's previous record for a full year.

The results underscore the continuing strength of the U.S. motor industry recovery, and are likely to add fuel to the growing controversy over the validity of maintaining import restrictions on Japanese cars.

Some critics of the present policy have argued strongly that U.S. consumers are being penalised because of the higher prices resulting from reduced competition. At the same time, members of the Reagan Administration have openly attacked the large salaries and bonuses being earned by Detroit executives as the industry swings back into large profits.

Chrysler's first-quarter figures, the equivalent of $5.64 a share, compare with $172.1m, or $1.97 a share, a year ago. Although the result was inflated by a gain of $317.4m from bringing forward tax loss items, the underlying growth in the company was exceptionally strong, with sales up from $3.10bn to $4.92bn.

Mr Lee Iacocca, the chairman and flamboyant architect of Chrysler's recovery, said that the statement reflected the group's cost cutting, productivity improvements and "innovative, new products."

During the quarter, Chrysler factories were working close to full capacity, with the eight North American car and truck assembly plants operating on double shifts for the first time since the fourth quarter of 1974.

Production grew by 53.6 per cent to 480,300 units, against 312,800 in the same quarter a year ago. Second-quarter output is expected to show some increase.

BL back in profit, Page 18; Renault Trucks Deeper in Red, Page 21



CONTENTS

# IG Metall prepares fight for shorter work week

BY JAMES BUCHAN IN BONN

HERR HANS MAYR, chairman of IG Metall, yesterday called on the 2.6m members of West Germany's largest trades union "to close ranks" for industrial action in support of a shorter working week.

The executive of IG Metall, representing workers in the steel, engineering and motor industries, will meet next Wednesday to prepare for strike ballots, after the collapse on Tuesday of talks with employers over a reduction of the working week from 40 hours. Balloting is likely to begin in different regions in the first week of May.

Herr Mayr's stirring call yesterday scarcely concealed the deep misgiving with which IG Metall is entering what could be the most serious bout of labour unrest in West Germany since the steelworkers strike in 1978-79.

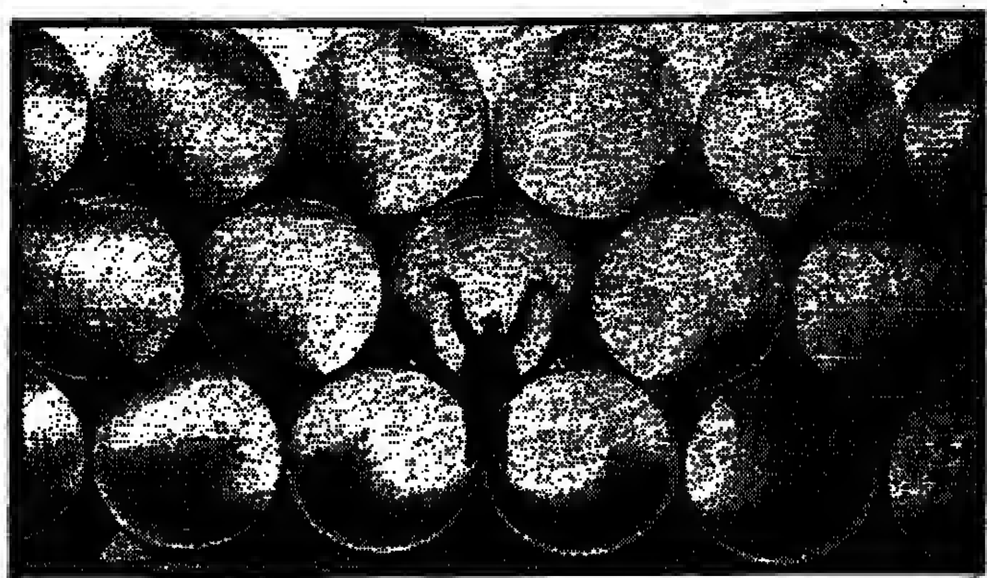
Under IG Metall's constitution, the ballots must show a 75 per cent majority for strike action in the different regions and there are doubts whether the membership, or public opinion, will tolerate a strike of several weeks for which the employers have been prepared by a long run-up.

IG Metall is thought to have assets of about DM 2bn (£533m) of which only around DM 450m is readily available which is hardly a princely sum at strike pay of DM 330 (£88) per week. This is one reason why the executive will probably go for selective strikes in sensitive areas, notably component supplies to the motor industry. The employers have already raised the prospect of lock-outs.

Possibilities for compromise still exist. IG Metall has gradually moved from a demand for a 35-hour week without loss of pay, to a "stage-by-stage" move down from 40 hours with pay open to negotiation.

Employers have offered shorter working time for employees who help improve factory flexibility—as with extra shifts or weekend work—but continue to insist on 40 hours as a basis for general settlements.

The employers offer more or less ignores, however, what has become a key component of the campaign for shorter working time by IG Metall and other unions—freeing work for the unemployed, now numbering 2.4m. The employers argue that there is nothing to be done with "structural" unemployment of around 1m and that jobs will only be created through growth.



STEEL TUBES for the pipeline that will bring Siberian gas to West Germany are stacked outside the Bavarian village Weiherhammer

# OECD says Europe could run into capacity problems

BY DAVID HOUSEGO IN PARIS

EUROPEAN economies could find that they run up against capacity limitations more quickly than anticipated, as the recovery picks up speed, officials at the Organisation for Co-operation and Economic Development (OECD) warn.

The warning coincides with a shift in OECD policy. A year ago, it was emphasising that declining inflation rates gave some industrialised economies room for growth. It is now signposting the dangers of a renewed revival of inflation, with its main fears centred on the U.S.

The shift is likely to emerge at the May ministerial meeting of the 24-nation group.

The new concerns are being voiced in the context that economic growth in the industrialised countries is proceeding faster than the OECD Secretariat had earlier estimated. It believes that output was expanding at more than 5 per cent at an annual rate among industrialised nations in the second half of last year.

The OECD is now revising upward its December forecast of a 3½ per cent real growth in the region's GNP for 1984 though it sees expansion in Japan and the U.S. slowing down later in the year.

For Europe, the OECD forecasts, though higher than in December, still remain in the 2 per cent range for this year and next.

The concern that in Europe the faster recovery needed to create jobs could absorb excess capacity too quickly was voiced by M Emile van Lennep, the OECD Secretary General, in his speech to the recent meeting of the IMF Interim Committee in Washington.

The Organisation's latest warning is intended to press the need for more industrial investment and for wage costs to be held down to make this possible.

OECD officials have been surprised at the pace at which excess capacity has been run down in West Germany after a 6 per cent expansion in industrial output last year. According to an Ifo survey, capacity utilisation which peaked in the post-1975 period for manufacturing industry as a whole at 85.5 per cent, had already reached 80.7 per cent by last December.

Though the signs elsewhere in Europe of economies in danger of running up against capacity limits seem slim, the OECD feels that there has been less new capital stock created during the recession. At the same time much existing stock was scrapped.

# Irish flight bonus from Aeroflot

By Brendan Keenan in Dublin

U.S. RESTRICTIONS on the Soviet airline Aeroflot, in the wake of the shooting down of a South Korean airliner last year, have meant a bonus for Aer Lingus, the Irish state airline.

The Irish carrier has signed a deal with Aeroflot, reserving 64 seats per week on its flights from New York to Shannon for passengers for the Soviet Union. Under the arrangement, passengers will transfer without customs restrictions at Shannon to Aeroflot flights for Moscow.

They will return from Leningrad, picking up the Aer Lingus flight at Shannon.

Aer Lingus hopes the number of reserved seats may rise to more than 100 in August, and that the business could continue during the winter months. Its New York representative said the deal was stuck after months of tough negotiations with the Russians.

The deal cements a growing commercial relationship between the Irish and the Soviet airlines. Shannon has provided refuelling facilities for 20 Aeroflot flights per week on route to South America.

# Greece pursues EEC demands

ATHENS – As the possibility of a Greek pull-out from the European Community recedes, the country's ruling Socialists are hardening their anti-Community rhetoric and pledging to fight for Greek national interests from within the group.

Mr Andreas Papandreou, Prime Minister, who as Opposition leader strongly opposed Athens' entry to the Community in 1981, has reaffirmed his view that Greece should never have joined and said the net results of membership continue to be negative.

"We were absolutely right when we said 'No' to membership," he told Pasok (Socialist) Party deputies last week. We are in continual danger ... of seeing our industry effectively disappear and our country turn into a hotel for the rest of Europe," he added.

But neither Mr Papandreon nor other government officials have given any hint that withdrawal is a practical possibility. Instead, they have pledged to redouble efforts for new forms of Community aid to help Greece catch up with its partners.

Left-wing Greek opposition to the Community is traditionally based on the view that it reinforces Greece's place on the periphery of capitalism, exposed to exploitation and competition from the powerful northern European states.

Mr Papandreou has sharpened his attacks on northern European states for taking what he calls a narrowly fiscal approach to the financial crisis which is plaguing the Community.

Recently, he has started attacking his fellow Socialists in France as well as Conservative-ruled Britain and West Germany. "On the question of financial discipline, France is just as tough as the other two countries," he has said.

Greece set out its demands for extra help in a memorandum to Brussels in March 1982, and the Community's executive Commission came up a year later with detailed suggestions, mainly subject to member state's approval, as to how they could be met.

Athens, which was forced to shelve the *memorandum issue* when it had the Community presidency between July and December last year, is now reminding its partners that many of its demands are still on the table and it wants rapid satisfaction.

Disappointed that France seems to be losing enthusiasm for a long-awaited $6bn programme to help Mediterranean regions of the Community, Athens is saying it must get is share of the money whatever happens to the rest.

"We want the memorandum and we want it all," Mr Theodore Pangalos, European Affairs Minister, said recently.

He has won some satisfaction in the past two months with the release of $100m of Community money to help mental hospitals and job training in Greece, and a statement by all 10 foreign ministers that Greece's other demands should be met.

But despite the ministers' statement of principle, Greece expects to have to fight point by point for aid to sectors including transport, forestry and industrial development.

Greece's conservative opposition, which steered the country into the Community, accuses the Government of hypocrisy in asserting that the results of entry continue to be negative.

For them, the sums are simple. Greece needs around $3bn a year to finance its current account deficit and pay off loans. Roughly $1bn of that money came from Brussels last year.

Of a remaining $2bn that must be borrowed abroad, as much as $500m is offered by the Community-backed European Investment Bank on much softer terms than Greece could hope for if it were not a member.

Government officials point to the country's agricultural trade, which plunged from healthy surpluses into deficit as soon as entry brought the efficiently produced meat and dairy products of northern Europe flooding into Greece.

The farm trade deficit with the rest of the Community was halved last year to 8.4bn drachmas (now $80m), but Greece is far from restoring the 6bn drachmas (then about $100m) surplus it enjoyed in 1980.

Meanwhile, farmers' incomes, which showed real increases of about 5 per cent in 1981 and 1982, fell by the same amount last year and the outlook for this year is uncertain.

If all Greece's demands for special aid are met, it could receive about $2bn from the Community Mediterranean programme and the same amount in aid for its own development plans between now and the end of the decade.

Athens, in seeking to persuade its partners that it should get this money, has presented its memorandum demands as a way of ensuring Greece's tighter integration into the EEC.

Conservative Greek newspapers have argued that there is a contradication between sharply attacking the Community on one hand and seeking closer integration on the other.

But the juggling act of strongly nationalistic rhetoric at home combined with a softer image presented to the outside world is one that the Government has managed with some success in other areas of foreign policy, such as ties with Nato.

Reuter

# Polish trade surplus of $386m

By Christopher Bobinski in Warsaw

*POLAND, devoid of hard currency* reserves and unable to raise new Western loans, could be devoting as much as 25 per cent of its hard currency earnings to servicing its $26.3bn foreign debt. This is suggested by figures for the first quarter published by the Government's central statistical office.

The country had a $386m trade surplus in the first three months of the year at the cost of a 10 per cent slump in hard currency purchases which helps explain the fact that last year's growth in industrial production is grinding to a halt.

Hard currency export earnings in the first quarter led by a record growth in coal sales, grew by 11.3 per cent to $1.3bn, while imports fell by 10 per cent to $944m.

In March, however, overall *industrial production failed to* grow compared to the same month last year while output by manufacturing industry actually fell 0.4 per cent. As a whole, industrial production grew by 3.7 per cent, against the 4.5 per cent annual growth target.

# Anti-missile campaigners jailed in East Germany

BY LESLIE COLITT IN BERLIN

EAST GERMANY *has* imprisoned more of its anti-missile campaigners in spite of protests against their arrest by the West German peace movement.

A Leipzig court has given sentences of up to two years to three young people who held a silent vigil last February in the centre of the city. They were protesting against the stationing of missiles in West and East Germany. Two others who took part in the protest were jailed that same month.

The latest sentences came as East Germany and the West German Communist Party gave their full support to Easter weekend marches and rallies in West Germany against nuclear *missiles in both parts of Europe.*

Late last month a Potsdam court sentenced four young people to between eight and 20 months imprisonment for a silent demonstration for peace.

Herr Josef Leinen, a member of the West German peace movement, wrote to President Erich Honecker last month calling on him to release 20 supporters of the independant East German peace movement who were in custody.

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# Michelin likely to announce up to 7,000 job losses

BY PAUL BETTS IN PARIS

MICHELIN, the financially troubled tyre manufacturer and France's second largest private enterprise, is expected to announce today between 6,000-7,000 job losses in its French operations.

Angry tyre workers disrupted and blocked production at Michelin's factory, in the Clermont-Ferrand area of central France. The company confirmed its plans to disclose to trade union representatives today its manpower reduction plans. But the company, which lost FFr 4bn (£348m) in 1982 and is expected by financial analysts to have lost another FFr 2bn last year, declined yesterday to detail its decisions.

The Michelin job reductions are expected to add further fire to the bitter political battle within the French Left over the Government's industriay policy. They come at a time when the governing alliance between Socialists and Communists is in the balance because of a deep split on industrial policy.

The Michelin workforce cuts coincide with job losses at Citroen, the large car company owned by the Peugeot group, France's biggest private enterprise. The large Citroen factory of Aulna sous Bois near Paris was paralysed yesterday by a strike against the company's job cuts.

Citroen is seeking to reduce its workforce by a total of 6,000 jobs, of which about 2,500 will probably have to involve redundancies. The unions, including both the pro-Communist CGT and the pro-Socialist CFDT, have vigirously opposed the Citroen proposals.

Michelin has continued to suffer from the overcapacity in the European tyre market which has hit the entire French domestic tyre industry.

The French tyre group, which is the second largest tyre company after the U.S. Goodyear company, employs 46,000 people in France largely concentrated at Clermont-Ferrand, where there are 25,700 on its staff. The company is believed to want to lose about 4,000 jobs in the Clermont-Ferrand area alone.

● France's foreign trade last month was FFr 2.7bn (£234m) in deficit on a seasonally adjusted basis, compared to FFr 4.6bn (£400m) in February.

The cumulative deficit for the first three months totals FFr 14bn, against a government target of FFr 7bn for the whole of 1984.

In the light of increasing imports to meet investment demand and a decline in the normal agricultural trade surplus, officials have been revising upwards their estimates of the expected deficit. They now expect a FFr 15bn-FFr 25bn shortfall over the year, implying a heavier foreign borrowing requirement.

# France to trim aid for textiles

By Ivo Dawnay in Brussels

FRANCE has bowed to EEC pressure to alter its system of aid to the textile and clothing industries, concluding a lengthy battle between Paris and the Commission.

Support in future will be restricted to funds for restructuring viable companies, which will have to find at least 50 per cent of the investment required out of their own resources. There is also understood to be an annual ceiling of FFr 1.1bn (£95m) on total aid.

For a number of specific items of clothing, ranging from handkerchiefs to working clothes, specific permission will be required from the Commission before aid may be given.

Investment in the textile industry rose last year by 30 per cent to FFr 2.7bn and in the clothing industry by 42 per cent to FFr 900m. The number of redundancies in both sectors fell sharply from 20,000 in 1981 to 3,500 last year.

The Commission has dropped its action in the European Court following agreement on the new system.

# International bank lending rises by $40bn

BASLE — International bank lending picked up towards the end of last year as the world economy began to pull out of the worst recession since the 1930s, according to figures published yesterday by the Bank for International Settlements (BIS).

The net amount of money out on international loan from the banks of the main non-Communist industrialised nations rose by $40bn (£28bn) during the last quarter of the year.

This was below the $55bn increase in the same period of 1981, but twice the growth recorded in the last three months of 1982.

Nearly half the new cross-border lending was to U.S. banks to meet a growing demand for domestic credit, the BIS quarterly report on international banking said. However, more funds also flowed to the less creditworthy non-oil-producing nations of the Third World and Eastern Europe, which had suffered sharp contractions in lending.

The BIS, which provides banking services for central banks, estimated the underlying growth of international credit granted by the industrialised nations' banks in all of 1983 was only 8.5 per cent. This was the lowest since the BIS started records in 1963, but it mainly reflected slackness in the first half of the year.

Opec countries, feeling the effects of lower oil revenues, increased their new borrowing in the last quarter from $1.3bn to $7.2bn, and reduced their deposits further. This brought the flow of banking funds to OPEC countries since mid-1982 to $38.2bn, the BIS calculated.

Lending to non-Opec developing countries rose from $900m to to $4.7bn. More than half of this went to Latin American countries such as Mexico and Brazil under resque programmes linked to loans from the International Monetary Fund.

Non-Opec Third World nations outside Latin America received $2bn in new funds. In the previous quarter their outstanding credit had fallen $700m. Deposits by this group also increased by $2.7bn compared with $500m in the preceding quarter.

The BIS said their borrowing had slowed earlier mainly owing to lack of demand

The big Latin American debtor nations have increased their deposits in the banks by $4.7bn since mid-1982 in spite of their debt repayment problems. Mexico, in particular, has increased its foreign exchange reserves by $3bn.

Banks cut their net exposure to Eastern Europe by $10bn over the 18 months to the end of 1983. Outstanding credit fell by $2.7bn, while funds deposited in the banks soared by $7.3bn, mostly coming from the Soviet Union.

Reuter

# Tough compliance measures in chemical weapons draft

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

MR GEORGE BUSH, the U.S. Vice President, yesterday presented a draft treaty to the UN Disarmament Conference providing for the most comprehensive ban yet on the production and stockpiling of chemical weapons, with unprecedentedly tough measures to verify compliance.

The main proposals are:

● A complete worldwide ban on chemical weapons thus strengthening the 1925 Geneva protocol which provides only for a ban on the use of chemical weapons in warfare.

● The Treaty would prohibit the development, production, stockpiling, acquisition, retention or transfer of chemical weapons, as well as of lethal and incapacitating chemicals and their precursors. "Research quantities of chemical weapons would be limited to a combined total of one tonne."

The treaty would provide for five different types of verification:

● systematic on-site verification of the declarations made by individual countries;

● continuous monitoring, with on-site instruments and presence of international inspectors, of chemical weapons production facilities;

● systematic on-site verification of and exchange of data on the production of chemicals useful in weapons;

● mandatory, immediate challenge inspection at any government owned or operated facility suspected of being a site of a possible violation. At a press conference later, it was suggested that "immediate" meant within 24 rather than 48 hours.

In clarification of the above measures, U.S. officials said yesterday that only "a very small number" of commercial chemical plants would be subject to spot checking and "others could be subject to inspection on a challenge basis if a violation were suspected."

Consultative processes would be set up which would provide "some safeguards against harrassment inspections."

The production of research chemicals which could also be used as or in chemical weapons would be highly regulated. "It would be limited to a small amount each year, confined to a single specialised production facility and subjected to mandatory regular on site inspection," officials said.

The U.S. draft treaty would cover biological weapons, already banned under the Biological and Toxin weapons Convention of 1972. It would apply to toxin weapons which are chemical weapons of biological origin. Herbicides and riot control agents would be explicitly excluded from the Treaty prohibitions.

Officials declined to detail the stockpile of weapons currently held in the USSR, the U.S. and other countries beyond declaring that "all available evidence shows that the Soviet stockpile is many times larger and more modern than ours."

Until an overall ban could be achieved, the U.S. Administration was asking Congress for funds to prepare for the production of chemical weapons, but would have to seek fresh authorisation for actual production to go ahead.

# Private schools lobby set for further clash with state

BY DAVID HOUSEGO IN PARIS

A HEAD-ON CLASH between the powerful private school lobby and the French Government seemed likely yesterday after the Cabinet decided against further concessions to the Catholics.

At its weekly meeting, the Cabinet adopted the draft law on private schools with only one amendment. The legislation is aimed at relieving the immediate burden on local authorities of financing private education and goes against the wishes of the Catholics. In France, unlike Britain, private education is heavily subsidised by the state which had originally intended to shift much of the cost on to the local communes.

Fears of a further clash over the private school issue stem from the strong statement on Tuesday by the moderate Cardinal Lustiger, Archbishop of Paris. He said he was firmly opposed to the provisions in the law which would transform private school teachers into public employees. The Catholics feel this will undermine the identity of the private schools.

The overall effect of the new law is to draw private schools more into the state system. But the Government has already made substantial concessions on its original goal of establishing a unified secular system in France. The new law retains much freedom of choice for parents with children in the private sector.

The government made the most of this aspect yesterday, declaring that the law was a "liberal" one that allowed parents freedom of choice.

# Thatcher hopes for boost in trade with Portugal

BY DIANA SMITH IN LISBON

MRS MARGARET THATCHER has told British businessmen that they have not done well enough in Portugal. In a forceful speech at a lunch given to her in Lisbon by the British-Portuguese Chamber of Commerce, Mrs Thatcher told an uncharacteristically demonstrative audience of 300 officials, bankers and businessmen that Britain's share of the Portuguese market had declined in recent years.

"My aim," she said, "is to promote trade and I am particularly interested in increasing British exports to Portugal."

Britain had long been Portugal's number one trading partner both in exports and imports. But recently, it has lost export ground to the U.S., on which Portugal depends heavily for grain, West Germany and France, which have aggressively marketed their manufactured products. Britain was Portugal's chief market, taking about £0.5bn worth of Portuguese goods in 1983.

Mrs Thatcher cited examples of British activity such as investment by the Beecham Group, discussions between the Bank of Portugal and Bradley and Wilkinson about a contract to print banknotes in Portugal which would transfer knowhow from the UK, bidding by the computer firm ICL for a contract to computerise the Portuguese tax system and Tate and Lyle's growing role in the Portuguese sugar market. She said she believed that decline in Britain's market share was about to stop.

British industry, she said, was emerging from the world recession much more efficient and productive than before. "The new Portugal, as a full member of the EEC, will be a prime target for British industry, as no doubt Britain will be an even more tempting market for your exports," she said.

Mrs Thatcher also expressed hopes as to potential expansion of British banking in Portugal.

# Dutch support for cruise on increase

By Walter Ellis in Amsterdam

A SURPRISING increase in the number of Dutch people prepared to accept the deployment of U.S. cruise missiles in their country is revealed in a new opinion poll. It found that 46 per cent favour deployment, compared with 42 per cent last October and 24 per cent in 1982.

More to the point so far as the centre-right coalition government is concerned, 66 per cent said that Parliament should endorse the cabinet's decision. This will be taken either next month or in June.

There have been widespread fears that Christian Democrat dissidents within the coalition would cause the Government to lose the parliamentary vote and probability, fall from power.

There has been no government reaction, meanwhile, to a report that the Netherlands may ask its neighbours, West Germany and Belgium, to store its consignment of 48 cruise weapons in peacetime and to transfer them only in the event of dire crisis.

# Austria seeks savings on pension scheme

By Patrick Blum in Vienna

THE AUSTRIAN Government has opted for a relatively modest reform of the pension scheme which it hopes will save about Sch 63bn (£2.4bn) between now and 1990.

The rapidly growing government budget deficit, which last year reached Sch 65.6bn or 5.5 per cent of GNP, has made cuts in social spending inevitable. Pensions accounted for more than three-quarters of last year's Sch 41bn social expenditure and are expected to cost the Government more than Sch 35bn this year.

Austria has one of the highest proportions of old people in Europe, a majority of whom are women because of the large number of men killed in the two world wars. This gives rise to many social and economic problems

The reform includes a 1 per cent increase in contributions from next January, shared equally by employers and employees. Pensions will also be calculated as a proportion as income over the previous ten years rather than five years.

# THE LIBYAN CONFRONTATION

## The man who woos the masses

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

Col Muammer Gadaffi

ONE OF the major handicaps faced by Col Muammar Gadaffi in bis dealings with the world outside Libya is that he dislikes governments. The Libyan leader much prefers to commune directly with the masses, who he believes to have heen artificially divided from each other by arbitrary lines drawn on maps, often by former colonial powers.

Thus the Queen and Mrs Thetcher have enslaved the British masses, just as President Mubarak denies the will of the Egyptian masses. If all peoples were free to listen and ebsorb the message in Col Gadaffi's Third Universal Theory, the structures of government would be scrapped—as they have been to some extent in Libya—and pure revolutionary democracy would take over.

It is, therefore, scarcely surprising that for the 14 years of *Col Gadaffi's rule*, Libya bas not been able to sustain consistently good relations with any single state. In the Middle East, normally more forgiving of leaderships' excesses or flights of fancy, Col Gadaffi is viewed as an unpredictable maverick and sometimes as a dangerous provocateur.

During the first five years of *his rule, Col Gadaffi was swept* up in the dream of exporting revolution through union. He tried to work with other governments and proposed marriage in quick order to Egypt and Sudan. later adding Syria. In January 1972 he achieved a declaration establishing the Federation of Arab Republics which would have brought Libye, Egypt and Syria *together* as a single state.

Col Gadaffi even wooed little Malta when it was in dispute with Britain over the future of naval base. But that fell apart, as did the Federation of Arab Republics.

However, the Libyan leader does not give up eaaily and in July 1973 he despetched 40,000 Libyans to marcb on Cairo in order to proclaim union. They were pushed back by the Egyptians, bnt the late Presideot Sadat was still persuaded to sign a charter of union a couple of months later. The October war with Israel then intervened and President Sadat's failure to advise Libya that be was about to attack Israel soured relations from then on.

After subsequent failed attempts to link up with Tunisia, Col Gadaffi appeared to give up on goveroments as a principal method of spreading his word. He concentrated instead on a massive military build up, purchasing for cash large quantities of Soviet tanks, artillery and aircraft.

Bnt with milltarism came the capacity to intervene more directly in the affairs of otber stetes, either through the despatch of armed units or through terrorism.

Thus Libyan units were to be found attempting to prop up Idi Amin in Uganda, assisting rebel forces in Chad, helping resist the Moroccan takeover of the Western Sahara, operating with radical Palestinian factions In Lebanon or trying to incite rebellion in the Tunislan town of Gafse. Libyan cash and weapons were sent to countries as geographically dispersed as Northern Ireland, the Philippines and Rhodesia.

Invariably, direct Libyan involvement was officially denied. But where it was admitted, Col Gadaffi claimed to be answering a request for help from a friendly state.

To some extent this enabled Libye to escape the worst consequences of its external agitation, although in the summer of 1978 President Sadat's patience finally snapped. He launched air strikes against at least two Libyan bases and Egyptian armoured forces crossed the international border to attack troop concentrations.

*The four days of fighting* intensified speculation in Cairo that Egypt, freed of the conflict with Israel, might be willing to deliver the coup de grace to the troublesome Col Gadaffi. But President Carter was known to be urging restraint on Mr Sadat and tension between Libya and Egypt eased slightly in the following months.

It is in large part through his more regional activities that Col Gadaffi has come into sharp conflict with Western governmeots. Libyan atudents burned down the French embassy In Tripoli in 1980 in retaliation for French support of Tunisia and in May 1981 two Libyan fighter aircraft were shot down over the Gulf of Sirte by U.S. planes.

Yet Col Gadaffi has demonstrated no little skill in assessing potential risks and has rarely pursued any issue to the point where it might provoke serious military retaliation.

Equally, there is not the slightest indication that—like the region in Iran—he will ever forsake his *mission to spread* his political philosophy to the rest of the world through means which often violete all Western norms of international behaviour.

## Siege may prompt anti-terrorist co-operation

By Ivo Dawnay in Brussels

THE LIBYAN Embassy seige in London is certain to act as a new spur to politicians pressing for a comprehensive integration of European law, procedures on extradition, information exchange and other anti-terrorist measures.

In recent years, however, initiatives aimed at harmonising member states bi-lateral agreements have made little headway.

The diplomatic status of the Libyan People's bureaux may also be raised when foreign ministers meet to discuss political co-operation on May 21.

Diplomatic community observers *suggested yesterday* that the events in London might well provide the justification for a joint approach to Tripoli for a "regularisation" of the bureaux, which have long irritated host nations with their frequent changes of personnel and lack of clear leadership.

Several attempts have been made in recent years to agree a Europe-wide strategy for the treatment of terrorists both at the EEC and Council of Europe.

In the mid-1970s, the French Government proposed an initiative under the European Convention on Terrorism aimed at establishing a series *of accords an extradition and* the recognition of sentencing of terrorists by judiciaries on an international basis.

This failed to win ratification, bowever, principally due to the divergent extradition agreements between member states.

The main problem centres on the need to make compatible the Council of Europe convention of the suppression of terrorism, in force between Austria, Denmark, West Germany, Sweden and the UK, and the EEC's anti-terrorism convention.

In 1982, shortly after the bomb attack on a Jewish restaurant in Paris, M Robert Badinter, the French Justice Minister, proposed to his EEC colleagues the creation of a European criminal court.

This, too, proved overambitious, not least, perhaps, due to other member states' resentment of France's determination to retain its traditional role as a refuge.

Europe's last attempt to speak with one voice on international terrorism and political violence issues ended disastrously when Greece refused in September last year to back a motion condemning the Soviet Uunion's destruction of the Sonth Korean airliner

## Business as normal for UK residents in Tripoli

BY CHRISTIAN TYLER, TRADE EDITOR

MOST OF the Britons working in Libya are employed by engineering consultancies or oil companies. Reports from staff in Tripoli, Benghazi and Tobruk to their head offices in the UK yesterday suggested that work was continuing normally both in the cities and ont in the field.

However, some companies were advised by the Foreign Office to prepare contingency plans for sudden evacuation of staff—especially of wives and children. Companies said they wero watching the situation hourly, but had had no reports of harassment of their personnel.

Evacuation could be complicated by the isolation of the British embassy in Tripoli, one company said. Another serious difficulty is tha so-called "tax hostage" system. To secure e permanent exit visa from the country, foreigners with residential permits have to show they have met their tax liabilities. A number of staff have to stand surety for their colleagues and cannot leave the country at all until the requirements are met.

Among the estimeted 9,000 UK nationals in Libya at present are 270 working for Occidental of Libya, a joint venture between the U.S. oil company and the Libyan National Oil Corporation. About 70 are in *Tripoli and the rest in the* desert or along the coast. A spokesman said operations were "completely normal."

Consulting companies, who were also in touch with their staff by telephone or telex yesterday, said they were used to periodic incidents of the present kind and that there were no serious worries at present.

If the situetion were to deteriorate and lead to a breach of British-Libyan commercial relations, the consulting companies would be among the hardest hit. Many of them have been in the country for over 20 years and have built up a dominant share of this particular market. They include names like Ove Arup, W. S. Atkins, Howard Humphreys and Sons and Scott Wilson Kirkpatrick.

British contracting companies, however, have made few inroads into the potentially lucrative construction business, much of which is being won by Turkish or South Korean companies. Mr Davy McKee is project manager of a $200m (£142m) fertiliser complex planned at Ras Lanuf, where the early bidders were from Italy, Japan and West Germany.

Maltese companies, many of them agencies recruiting foreign technical and managerial *personnel*, are active. Last October, the Maltese Medelec Switchgear, whose shareholders are the Maltese government, Libyan interests and GEC of the UK, won a $52m contract for electricity supply and substations.

European companies have profited to some extent from the *stringent* U.S. export controls on Libya. These have been relaxed for supply of oil equipment, but recently a U.S. subsidiary of the British Vickers group, Sofec of Houston, was caught in an argument in Washington as to whether its application for an export licence for a marine mooring system should be granted.

In terms of direct trade, Libya is relatively unimportant to Britain. Last year the UK exported goods worth £274m, a 5 per cent increase on the previous year and imported goods worth £224m, a drop of 34 per cent. This compares with the peak year for exports in 1981, when goods worth £528m were sold.

The main exports were machinery and transport equipment, chemicals for which an export licence is required—and manufactured goods and the chief import was oil.

## Trade ties provide protection for Italy

BY JAMES BUXTON IN ROME

ITALY is the Western European country which has the most extensive contacts with Libya. The very extent of relations between the two is thought to be an important reason why Italy has, at least until now, heen spared a new round of terrorism inspired by the Libyan Government — despite the fatal shooting in Rome in January of the Libyan ambassador — apparently by Libyan dissidents.

In 1980, when Libyan assassination squads were et work in Europe, two Libyan emigres were shot in Rome. Given the extent of domestic Italian terrorism and the frequent laxity of checks on immigrants coming into the country, it might have been expected that the Libyan killer squads would bave carried out many more actions among enemies of Col Gadaffi's regime in Italy.

In fact, however, without any Libyan diplomats being expelled, Italy managed to persuade the Libyan Government not to continne the operations of the death squads on its territory.

It was apparently able to emphasise the importance to Libya of its economic and other ties with Italy. There are now about 15,000 Italians in Libya holding important posts in the country's economy and Italy is a major market *for* Libyan crude oil.

Libya also has interests in Italy, including a 15 per cent Government-held stake in Fiat, the largest private business. Libya also has involvements of various kinds in Sicily and southern Italy.

In 1982 Libya sent L3,777bn (£1.68bn) worth of exports to Italy, and Italy exported L2,875m worth of goods to Libya. In the first half of 1983 Italian imports from Libya were L1,909bn and exports were L1,540bn.

## France's stormy relations with Gadaffi

BY DAVID HOUSEGO IN PARIS

WITHIN the French administration there was a great deal *of sympathy yesterday* for the British Government in its dilemma over dealing with occupants of the Libyan embassy in London.

France has had a stormy relationship with Col Gadaffi, from the burning of the French embassy in Tripoli in 1980 to the confrontation over Chad which still pins down some 3,000 French troops in the country.

France also took the initiative under President Giscard d'Estaing in attempting to win EEC aproval for a convention against terrorism. This was to have been signed in June 1980 in Rome but ran into opposition from the Netherlands.

The Socialist administration has only recently shown an interest in reviving the project.

French relations with Libya have been dominated over the last year by the Libyan-backed rebel invasion of Chad in August. While Libya refuses to withdraw its troops, France is forced to maintain its 3,000 men in Chad.

## Legal position a secondary consideration

BY PATRICK COCKBURN

FEAR for the safety of the British embassy in Tripoli and the 9,000 British people working io Libya is the main concern of the Government in seeking to end the siege of the Libyan embassy in Loodon.

However good the legal case against any Libyans in St James's Square who do not have diplomatic status, their arrest would almost certainly lead to retaliation by Libya. The British embassy in the Libyan capital is surrounded by revolutionary studeots, according to officialsin London.

The ambassador, together with 24 embassy staff and their depeodents, cannot leave the embassy building on the waterfront overlooking Tripoli harhour. The delicacy of their position is uoderlined by the detentioo of three British citizens whose identity is not known. In the past, both the U.S. and Freoch embassies In Tripoli have been hurned down by government - sponsored demon strations.

Concern for the safety of British subjects makes the legal position of the occupants of the Libyan People's Burean in London a secondary consideretion.

The question of who is immuoe to detention under the 1964 Vienna Convention on diplomatic relations is difficult to judge as Libyan emhassies have been designated people's bureaus run by committees.

*On February 20* the *Libyan* authorities told the Foreign Office that they no longer considered Mr Adam Kuwari as charge d'affaires, but in spite of Foreign Office requests Tripoli would never says who was in charge of the People's Bureau. Authority in the huilding in St Jame's Sqnare is helieved to be beld by a four-man committee, but it is not clear if this includes any of the 23 accredited diplomats.

Diplomatic immunity is normally granted to the head of a mission and to the premises of an embassy. This makes it illegal for the *police to search* the large building housing the People's Bureau unless they receive permission from the Libyan authorities.

Changes to the Vienna Convention are hardly relevant in present circumstances, although it has been suggested that diplomatic hags be X-rayed

# OTHER OVERSEAS NEWS

## Gemayel to meet Assad

By Nora Boustany In Beirut

SYRIA officially confirmed yesterday that President Amin Gemayel of Lebanon would travel to Damascus today for a *summit meeting with his* counterpart President Hafez Assad, thus sparking hopes for accelerated political moves to defuse the Lebanon crisis.

The announcement, made by a Presidential spokesman in the Syrian capital, confirmed Lebanese Press reports that Syria's Vice-President, Abdel Halim Khaddam, had arranged the Gemayel-Assad encounter in a telephone conversation with the Lebanese President Wednesday evening.

After several ambiguous delays, news of the summit was received with relief by Lebanese officials. The two leaders will concentrata foremost on the formation of a new Lebanese *Cabinet and steps to* stabilise e ceasefire. Other topics to ba discussed are a modified package of reforms intended to give Moslems a fairer share in Lebanon's decision-making process and issues relsted to a restructuring of the Lebanese Army.

Tension drained out of Beirut yesterday after night-time shelling of residential areas tapered off and officials reported progress towards the implementotion of a disengagement plan that would help firm up a ceasefire between warring factions.

French and Lebanese observers took up positions in two high-rise buildings with radio and telephone links to o security committee operations room in charge of supervising and maintaining the truce.

### Iraq attacks Kharg ships

IRAQI warships attacked and "destroyed two large naval targets" in the vicinity of Iran's major oil export terminal on Kharg Island. Baghdad Radio said yesterday, AP reports from Nicosia the report did not specify the type of nationality of the attacked ships. There was no immediate confirmation of the attack.

## Australia makes big concessions over proposed resource tax

BY COLIN CHAPMAN IN SYDNEY

THE AUSTRALIAN Government has made significant concessions to the oil industry by deciding to limit its proposed resource rent tax — a tax on profits as distinct from on production — to new offshore areas that have not yet reached the production stage.

The tax will operate from July 1, but the Government has given the industry three weeks to decide whether it would prefer e lower single-rate tax but *no exploration subsidy, or* an exploration subsidy tied to e progressive tax rate with a higber peak.

The resources rent tax will work alongside existing excise arrangements for oil discovered before 1975. But oil discovered since then but in production will now also be subjected to a separate and lower excise scale.

But in an important exception to this new three-tiered structure will be the Bass Strait deals which have been developed by the Broken Hill Proprietary-Esso partnership although the Fortescue Field will not benefit from this exclusion and will be subject to the new lower duties.

Mr Paul Keating, the Federal Treasurer, said he expected the new taxes to be raising about A$300m (£193m) e year in three years' time. The proposals had had a mixed reaction from the industry. The BHP-Esso partnership welcomed them, but the Australian Petroleum Exploration Association said they would impede further exploration work. This is not the only split between the two giants of the Australian industry and Apea.

BHP-Esso, the nation's leading producer would like to sell their crude to the highest bidder rather than through the existing quota system whereby producers allocate crude to Australian refiners on the basis of their market share.

BHP-Esso want the import parity pricing policy stopped in favour of a free market system, with producers allowed to export if they wish without government licence. Apea says parity pricing and the allocation system must remain to sustain exploration by providing an agreed market for production.

## Saudi trade surplus declines

SAUDI ARABIA'S merchandise trade surplus fell to 77bn riyals (£15.4bn) in the fiscal year ending April 1983 from 223bn riyals (£44.75bn) in the previous year, according to the *Saudi Arabian* monetary agency's annual report to the King, AP reports from Manama.

For the fiscal year exports dropped 42.9 per cent to 193bn riyals from 329bn riyals in the previous fiscal year. Imports totalled 115bn riyals, an increase of 9.3 per cent from 106bn riyals in 1981-82.

The report, issued yesterday in Riyadh, also said the Kingdom's money supply grew 12.5 per cent in the fiscal year, equal to the rate of growth projected by private economists and about half the growth rate these economists estimoted for the previous year.

## Punjabi capital hit by Hindu rioting

BY K. K. SHARMA IN NEW DELHI

SERIOUS RIOTING hroke out in Chandigarh, capital of Punjab State, yesterday when Hindus angrily asked for the closure of markets following the killing of the President of the newly formed Hindu Protection Committee the previous night hy Sikh Terrorists.

Mr Inder Pal Gupta, who was gunned down in his shop, was one of six people murdered Tuesday by Sikh terrorists who continned their violent activities.

Para-military forces have been strengthened, indicating further worsening of the situation in the troubled State where Sikhs are agitating for political and religious autonomy.

The Indian Cabinet discussed the crisis yesterday after which Prime Minister Indira Gandhi and Home Minister P. C. Sethi faced an angry lower house of Parliament which held its fourth special debate on the subject in the current session.

Members from all sides of the House asked the Government to take speedy action to control the situation in Punjab. Mrs Gandhi gave the assurance that she was not concerned about politics and the coming general election in her attitude towards Punjab.

In Amritsar, the holy city of the Sikhs where the Golden Temple is located, the moderate leader, Mr Harchand Singh Longowal, yesterday accused the Indian Government of encouraging quarrels among the Sikhs to weaken them.

## HK jury takes a murder tour

By a Special Correspondent in Hong Kong

POLICE WITH shotguns stood guard yesterday when the judge, jury, counsel and the accused man were driven in a long convoy to the banana grove near the Chinese border where Mr Jalil Ibrahim, a Malaysian banker, was found dead last July with a white cord knotted around his neck.

This elaborate judicial exercise was to familiarise the court with the locations involved *in* the evidence in the trial, which is expected to last until the end of next month.

Mr Mak Foon Than, a 32-year-old Malaysian, has denied the murder charge. The victim was one of two assistant general managers of Bank Bumiputra Malaysia Finance. He had special responsibility for loans.

After three weeks of legal argument in camera, the trial went into public session on Monday. There have been several court references to the business connections between BBMF and the now-defunct Carrian property empire. BMF lent Carrian at least U.S.$500m (£352m).

Mr George Tan and Mr Bentley Ho, respectively Carrian's chairman and accountant, applied unsuccessfully to have the present murder trial held in secret. They are duo to appear in court themselves in September on fraud charges.

The prosecution alleges that Mr Jalil was lured to a hotel room and killed during negotiations for a U.S.$4m loan to Carrian, which Mr Jalil wanted submitted to the Malaysian head office for approval.

Apart from slithering around the banana grove, the entire court visited the hotel room, in one of Hong Kong's plushiest hotels, where it is alleged that Mr Jalil was strangled.

The convoy also had e look at the block of flats where the accused fell from a window and broke his pelvis as police broke down the door. Mr Mak, slightly-built and wispily-bearded, was still walking with a crutch as—under heavy escort—he accompanied the court on their guided tour.

## Nile waters make Egypt's desert frontier bloom

BY ROBIN REEVES, RECENTLY IN EGYPT

RAMADAN RISK HASSAN, his wife and three children moved into the new village of Abubakr el Sadik on the desert road between Alexandrie and Cairo two *months ago*. They have a house and five acres of land which, until recently, was pure sand.

Thanks to a new canal and irrigation system which lifts the waters of the Nile River on to the desert plateau, Mr Hassan has elready been able to plant bis first barley crop and will shortly receive two cows, some chickens and ducks.

In Upper Egypt, Nubian families displaced by the Aswan high dam are building a new life on irrigated lands around Kom Ombo, neer Aswan. They are able to grow sugar as a cash crop, as well as food for their own needs. The women in the villages are developing a handicrafts industry.

Both areas are part of Egypt's "new frontier." Vast tracts of desert land are being reclaimed for agriculture, to help feed the country's ever-increasing population, to try to contain its mounting food import bill and to reduce the sheer numbers of people concentrated in the Nile valley and the delta.

"The next problem is food, not oil," says Mr Abdel Hameed el Toudy, chairman of the Central *Development* Organisation, which is responsible for the reclamation and settlement programme.

Although Egypt is larger than most European countries, some 95 per cent of the population of 43m is crowded ooto less than 4 per cent of the land, the rich alluvial soils of the Nile, which have *sustained* Egyptian civilisation for thousands of years.

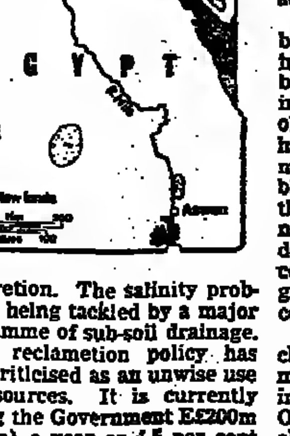
These lands used to be more than adequate for Egypt's needs, but over the past decade, because of the population increase of at least 1m e year, Egypt has become a major net food importer.

About 1m acres of new lends have already been added to the country's 5.6m ecres of old lands over the past 20 years, but half the gain has been lost to urban development. Over the next four years, the Government plans to reclaim and settle over 600,000 acres and by the end of the century the target is an extra 2.8m acres.

In some areas the reclamation depends on tapping ground waters, notably the New Valley deep in Egypt's Western desert, but mostly it relies on mobilising the weters of the Nile.

The key to the new frontier is the Aswan high dam which has given the country effective control over the waters of the Nile. Some 80 per cent of this 600bn cu metres of water delivered annually to Egypt by the Nile used to flow to the sea between August and October, leaving only 20 per cent evailable for the remaining nine months.

Interfering with this cycle has created problems of salinity and waterlogging. The annual flooding of the valley and delta soils used to flush out accumulated salts and deposit e layer of fertile silt. But there are no signs of the environmental disasters predicted by some commentators, the most bizarre being the suggestion that Lake Nasser, behind the dam, would not fill for at least 200 years because of the high level of




evaporetion. The salinity problem is heing tackled by a major programme of sub-soil drainage.

The reclametion policy has been criticised as an unwise use of resources. It is currently costing the Government E£200m (£133m) a year or 4.5 per cent of its national plan budget. The only external input is food aid supplied to poor settlers by the World Food Programme for their first three years, while they work up the fertility of their land.

The cash savings to the Government of this aid also contribute *towards new housing*, co-operative, community and agricultural training facilities, and towards income-earning activities for women.

It has been suggested that because of the heavy initial infrastructure costs, it would be better to pump the resources into raising the productivity of old lands. But apart from having a strong ideological commitment to making the desert bloom, the Government argues that such a policy would do nothing to ease population density and landlessness, nor contribute to the hroader geographical development of the country.

That said, a number of changes to make the programme more cost effective have been introduced in recent years. Originally the desert lands were always levelled at great expense to allow use of traditional flood irrigation methods, and then handed over to the settlers only after the fertility of the land had been improved by a succession of crops over three years.

These days the cost has been cut sharply, from an average of E£5,000 to E£2,000 an acre by *using sprinkler and U.S.-style* pivot irrigation systems which obviate the need to level the land and by handing the land over to settlers after just one year.

This saves money by allowing specialist land reclamation contractors to leave earlier, and it has been found that reclamation is more successful where settlers have to face up to the initial difficulties themselves.

The overall cost is to the government is also being reduced in some areas by auctioning a third of the plots in some areas to the highest bidders. Only a third is going to poor, landless settlers, the remainder being earmarked for Government-controlled co-operatives or, in some instances, for university graduates.

They are being offered larger plots and houses as an alternative to exercising their right to a white-collar job, and very successful farmers some are proving to be.

# Nicaragua claims to have recaptured rebel-held town

BY TIM COONE IN MANAGUA

NICARAGUA Government troops have retaken the isolated garrison of San Juan del Norte in the far south-east of the country according to Nicaragua's Ministry of Defence. The garrison, which controls the entrance to tha San Juan River, was taken by 500 rightist Revolutionary Democratic Alliance (Arde) guerrillas last Friday and Arde's military commander Sr Eden Pastora announced that a provisional government would be established there within 90 days.

The Ministry of Defence communique said the counter-attack began on Tuesday and that Sr Pastora's forces were being pushed back into Costa Rica. Two launches used by the guerillas were apparently sunk by the Sandinista Air Force.

In Costa Rica, Arde spokesman claimed that fighting in San Juan del Norte was continuing, and indeed the Ministry of Defence communique admitted that "some resistance" was continuing in the face of the counter-attack.

The Nicaraguan Government has denied that the garrison fell to the guerrillas, but the Defence Ministry communique said that the army is now carrying out "an intense search in the whole sector" to discover the fate of the 72 troops that manned the garrison.

● CIA officers directly supervised a commando raid that bevily damaged Nicaraguan port facilities last autumn, the aWshington Post said yesterday, Repter reports.

Administration and congressional officials told the Post the October 10 operation against oil storage facilities at the port of Cortino was supervised by CIA officials from a "mother ship" outside the 12-mile international coastal limit.

The CIA leased the ship last summer and American agents aboard it furnished the speedboats, guns and ammunition and directed the raid by anti-Government rebels, the Post said.

● Cuba's Foreign Minister, Sr Isidoro Malmierca, has said his country would he willing to help sweep mines from Nicaraguan harbours, Cuba's official Prensa Latina news agency reported yesterday.

# Bolivia resumes talks with unions on economy

BY OUR LA PAZ CORRESPONDENT

THE BOLIVIAN Government and the national trade union organisation, COB, resumed talks in La Paz yesterday on the direction of the economy following a demonstration on Tuesday night of about 70,000 industrial workers, miners and farmers against the Government's package of economic austerity measures.

The unions, whose general strike from last Friday to Monday was widely supported, are threatening an indefinite general strike from next Monday if the Government's policy remains unsatisfactory.

The new Cabinet of left wing parties, which took office last week, raised the price of petrol and other fuels by 260 per cent, devalued the peso (changing the rate to 2.000 to the U.S. dollar from 500) and increased the price of many basic foods. Even before these steps, the annual inflation rate was abont 350 per cent..

The administration maintains that, in order to obtain credits from abroad, and to open the way for re-negotiation of Bolivia's $4.5bn foreign debt, it had to set realistic prices for what had been beavily subsidised fuel and foods, as well as to bring the peso closer to its parallel market rate of about 3,500 to the dollar.

The COB, however, is demanding sale of the central bank's gold reserves to yield cash for public investment, a unilateral moratorium on servicing the foreign debt, nationalisation of private banking, state intervention in the marketing of all foodstuffs and workers' control of management in private enterprises.

**Hugh O'Shaughnessy** interviews the United Nations Secretary General

# UN chief issues dire warning on Bolivian debt crisis

**IF THE Bolivian foreign debt crisis is not resolved it could have "catastrophic" repercussions in the rest of Latin America, Sr Javier Pérez de Cuéllar, Secretary-General of the United Nations, said in an interview with the Financial Times in London yesterday. It could be the first time a sovereign state went bankrupt, he said.**

**The UN is making n special effort to help solve the Bolivian debt problem and is assisting in efforts to raise an immediate $200m (£140m) for a Government whose foreign exchange is exhausted and which is facing increasing civil disorder.**

**Sr Pérez de Cuéllar revealed thnt he had had emergency talks with M Jacques de Larosière, director of the International Monetary Fund, in London this week on the subject of Bolivia.**

**Bolivia's outstanding foreign debt of some $4.5bn is not large by Latin American standards but the UN Secretary-General warned that a "financial débâcle" in Bolivia could seriously affect the eredit rating of its neighbours.**

**On the subject of Central America the UN Secretary-General made a new call for a freeze on arms shipments to the countries of the isthmus so as to allow tempers to cool, particularly in El Salvador, Nicaragua and Honduras.**

**He nppealed for the countries of Western Europe to "pay more than lip service" to the job of supporting tho peace efforts of the Contadora group of countries. He said he had asked Mrs Thatcher at their meeting on Monday to give increased British enconragement to the Contadora efforts.**

**At the same time he warned against expecting too rapid a solntion to the problems of the region which, he said, were rooted in the social and economic inequalities of the countries of Central America. He added that the impression abroad was that the Contadora peace process was ineffective. "That impression is an erroneous one," he said.**

**Turning to the question of the Anglo-Argentine dispute over the Falkland Islands Sr Pérez de Cuéllar said that he did not feel the moment was propitious for any UN initiative**

# Texas, home of the wildcat oil millionaire, makes a bold play for high technology

BY STEWART FLEMING IN WASHINGTON

INDUSTRIAL targeting — the adoption by governments of policies aimed at promoting the development of certain favoured industries of the future—is a concept which scarcely seems to square with the conventional image whicb the world has of the state of Texas.

But in Texas, as so often is the case, reality has already left mythology straggling in its wake. If governor Mark White proves successful in his efforts to turn the state into a hot bed of high tech industry, the world will have to find another symbol of Texan entrepreneurship and consign the wildcat oil millionaire to the history books.

Earlier this week the state financed University of Texas announced plans to endow 32 new professorial chairs, each with $1m, in fields such as computer engineering, molecular hiology, micro-electronics and compnter assisted design and manufacturing.

The announcement confirmed that at least in one respect the traditional image of the state does not seem to need revision —money it seems is still no object. The endowment is based on a private gift of $8m from an anonymous individual who wants to help economic development in the state. The university itself, which shares in a $2bn state university trust fund accumulated as a result of oil finds on land donated by the state, delved into its own coffers for the other $24m of matching funds.

More importantly, however, the university's initaitive is part of a wider ranging industrial policy being developed at state government level, one whicb may provide some interesting precedents for European governments (as well as other states in the U.S.) who are grappling with the task of modernising their industrial base. At the core of this policy is an effort to pull together in a partnership not just the state government and the state education system, hut also the private sector.

Some two years ago the city of Austin in Texas won a nationwide competition involving 56 other cities in 27 states, to attract to it MCC, a new joint venture research company whose shareholders now include 15 of the best known high tecb and computer companies in the U.S. such as Digital Eqnipment, Motorola and Honeywell.

MCC is beaded by Admiral Robert Inman, a former depnty director of the CIA. It is a research concern which plans to spend $500m over the next 10 years in such fields as software, technology, compnter alded design for very large scale integration, semi-conductor packaging and advanced computer architecture including artificial intelligence—the fifth generation computer.

One of the reasons MCC decided to locate in Austin. It says, was the high quality of the University of Texas advanced technology faculties and the plans the university had for developing them further. Mr Frank Press, president of National Academy of Sciences said this week that the $32m endowment will "make (the university) outstanding at the level of Harvard and Berkeley."

The comparison with Berkeley is significant, for state officials are making it clear that one of the reasons they wanted to attract MCC (which was instrumental in arranging the private donation to Texas University) and promote scientific research at the university, is the desire to try and construct in the Austin-San Antonio area a new corridor of high tech companies—a Texan version of Silicon valley.

According to Ms Meg Wilson science and technology co-ordnator in the state's Office of Ecenomic Development, the decision to actively promote the growth of high tech industry in the region in part reflects concern in the state government about the growth prospects of the oil and gas industry the need to push diversification of Texan industries further and the need to boost the economy of the southern part of the state which bas been adversely affected hy the economic problems of neighbouring Mexico.

The Texan initiative is one which seems certain to continue to attract attention. It will be followed above all to see whether it is effective in promoting high technology industry and whether joint research companies such as MCC — a form of co-operation backed by the Reagan Administration whicb has proposed legislation to facilitate such structures — can prove their worth.

It underlines too the point whicb Professor Robert Reich of Harvard University, an advocate of industrial policy in the U.S., has made, namely that whatever steps are taken on a national level, state governments are already deep into the business of promoting industrial development in a variety of ways.

# Ruling expected on Amoco Cadiz tanker disaster today

BY WILLIAM HALL IN NEW YORK

A U.S. federal judge is expected to rule today on who was responsible for the breakup six years ago of the supertanker, Amoco Cadiz, and who is liable for the several billions of dollars worth of damages whicb are being claimed for cleaning up one of the worst ever oil spills.

U.S. Judge Frank J. McGarr is expected to hand down his decision ou one of the longest running and most expensive maritime trials in Chicago later today. Judge McGarr's decision will be limited to determining liability for the shipwreck of the supertanker off Portsall, France, on March 16, 1978. Decisions on the amount of damages—close on $3bn is being claimed—will be decided by other courts.

Since the giant tanker sank off the Britanny Coast causing massive oil pollution, lawyers have been battling to determine who was liable. The Amoco Cadiz, owned by the Chicago headquartered Standard Oil Company of Indiana, Flew the Liberian flag and was carrying a British cargo.

The legal arguments surround- the shipwreck are complicated hy the various nationalities of interested parties and disputes about the jurisdiction of the courts. The bulk of the claimants are French and the central court case was moved to Chicago because the French parties argued that U.S. courts were more likely to grant higher damages.

Standard Oil bas been charged with negligence in respect of its involvement with its giant tanker and there bave been claims that the ship was poorly maintained and unseaworthy.

The oil companies denies it was to blame and has argued that the Spanish shipbuilder, Astilleros Espanoles, was to blame for the faulty steering gear, which broke down and precipitated the wreck.

Tugsier, the West German operators of the tug sent to help the Amoco Cadiz bave also come under attack for wasting time disputing the conditions under which it would assist the tanker as it drifted onto the rocks.

The law suits are by the Republic of France on its own behalf and on bebalf of its citizens, by various French municipalities and government departments, by labour and other organisations, as well as private citizens.

# Oil companies bid $631m for Alaska leases

By Our New York Correspondent

INTERNATIONAL OIL companies put in bids totalling $631m for the right to drill for oil in the Navarin Basin in Alaska, in the latest federal offshore lease sale.

The sale, whicb was one of the biggest to date, offered over 5,000 tracts covering 28m acres. However, the oil companies only put in 425 bids for 186 tracts and generally sidestepped bidding for tracts which lie under territory disputed between the U.S. and the Soviet Union.

The U.S. Government estimates that the Navarin Basin holds 1.2bn barrels of oil and 7.7 trillion cubic feet of gas.

# U.S. spending up while income growth slows

By Stewart Fleming in Washington

AMERICANS increased their spending in March modestly in spite of the smallest increase in personal income since August of last year, the Commerce Department reported yesterday.

Personal income in the U.S. increased last month by 0.5 per cent to a seasonally adjusted annual rate of $2,940 billion, the Department said. This compares with increases of 0.7 per cent in February and 1.6 per cent in January. Personal consumption expenditures rose 0.4 per cent in the month after declining by 1.0 per cent

Housing starts in March fell sharply by 27 per cent to an annual rate of 1.6 million units, down from the surprisingly strong 2.2 million units in February.

# TECHNOLOGY

EDITED BY ALAN CANE

WINDMILLS ARE BACK IN FASHION AT ALTAMONT PASS

## California harvests its wind energy

BY RAYMOND SNODDY

"HARVEST TIME" lasts from April to September—on the wind farms of the Altamont Pass in California. As the temperature starts to rise in the central valleys cool heavy air from the coast is sucked along the natural funnel of the pass and blows consistently enough to provide commercially viable wind power.

In the past two years more than 2,000 microprocessor-controlled windmills have been erected along the pass by private companies and hundreds more are on the way—some of them 400 kilowatt machines.

When the wind blows, windmills on 60-foot towers whoosh in line. On other hillsides vertical axis machines turn gracefully like kinetic scuplture.

Last year one of the largest wind farm operators at Altamont Pass, U.S. Windpower, produced nearly 23m kilowatt hours of electricity for Pacific Power & Gas, the northern and central California utility.

In all, PG & E bought a record 31m kW hours of wind power electricity the largest use, it believes, of wind power of any utility in the world.

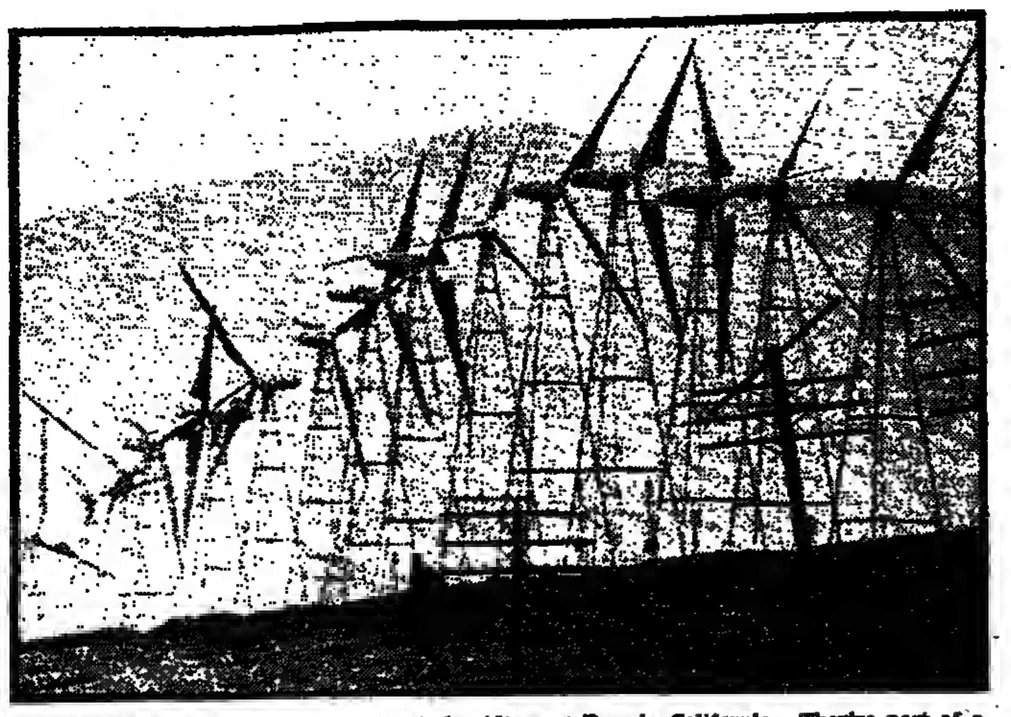
The electricity supply was the equivalent of the annual electricity needs of about 5,000 average homes and saved the company nearly 52,000 barrels of oil.

**Each windmill is controlled by its own microprocessor**

Companies such as U.S. Windpower are bringing the latest technology to bear on ancient principles. After seven years of research on small prototype machines, engineers with backgrounds in aerodynamics, stress analysis and electronics produced 50 and 100 kW windmills.

Each machine is controlled by its own specially designed microprocessor which senses changes in wind velocity and continually *adjusts* the pitch of the blades to keep a steady power output, in the case of the 50 MW model at wind speeds between 22 and 44 miles an hour.

All the windmills are on-line to computer monitors. Back at the farm, there are banks of Apple microcomputers—one for every 50 windmills.



Modern windmills stand all in a row at the Altamont Pass in California. They're part of a development by U.S. Windpower, one of the new breed of American companies which are applying aerodynamics and microprocessors to harvesting electricity from the wind

The computers monitor and record, minute by minute the power outpot and performance of individual machines rather like more progressive dairy farmers who feed the milk yields of individual cows into their computers.

The company has bad its share of technical problems. A link to the pitch mechanism was too weak and there were cases of shearing. Stronger parts are now being fitted to all the company's windmills. U.S. Windpower, which employs 200 people and selects and manages windfarms as well as manufacturing the windmills, installed its first 600 machines by last June representing $65m of equipment sold.

A further 550 windmills worth $72m will be installed this year and next.

The company argues that the capital costs for windmills which are productive around 35 per cent of the year is now below $2,000 a kilowatt.

The resurgence of interest in windpower came from the 1973 oil crisis but it is federal and state legislation that turned what might have stayed an amusing eccentricity into the beginnings of a commercially viable industry.

Federal and state tax credits, though due to be phased out in 1985 and 1988 amount to nearly 50 per cent of the cost. But what really created a market for windpower was the fact that utilities are required to buy power from small producers at the "avoided cost"—what it would have cost the utility to generate the same amount of power.

"As a result of these improved financing and market conditions approximately 30 manufacturers have become involved in the production of wind turbines over the past four years," U.S. Windpower says.

The company offers investors $25,000 units in the windmill farm—a [illegible] of three units—so that performance is averaged out over the whole wind farm.

But at the current price paid by PG&E of 7.7 cents a kilowatt hour and the tax concessions a $155,000 100 kW windmill would repay its investment in about five years.

Mr Jerry Helms, general manager of Fayette Manufacturing, the other major operator at Altamont. Pass sells entire windmills to individual customers — including baseball players and film stars.

A doctor has already agreed *to pay* $435,000 for one of the new 400 kW windmills now starting their trials.

Jerry Helms believes the tax concessions were necessary to get the windmills turning but that now the industry can stand on its own two feet.

"Right now windmills are being used by too many people who are not interested in developing the technology only in generating tax credits," says Helms.

Fayette which has more than 900 windmills installed was founded in 1981 by John Eckland former chief energy adviser of the CIA. Reliability of the machine, Fayette says is improving with experience. "We have less than 2 per cent blade failures a year," says Jerry Helms.

The climate, geography and legislative environment in California *is particularly favourable* to windmill power. The windy season in the summer even coincides with PG&E's peak demand when Californians switch on their air conditioning systems.

Fayette believes, however, its windmills could be financially viable elsewhere and is looking at the market in Scotland and Ireland.

Though PG&E is proud of its windmill power and even buys spare capacity from single windmills on more orthodox farms, it is for the forseeable future, a small scale resource.

Although 48 per cent of its needs in 1992 will come from renewable sources — mainly hydro and geothermal—wind and solar power together will only account for 1 per cent.

Windmills on a much larger scale would be needed to change that projection.

The company owns one such windmill—a 2,500 kW machine on a 200 foot tower and with rotor blades measuring 300 feet from tip to tip. Built by Boeing Engineering, it is one of five giant windmills already at work in the U.S.

But although it was produced nearly 2.5m kilowatt hours since it began operation in November 1982 at a price of $11m it remains experimental.

PG & E are also involved in another experimental use of renewable energy.

The company is installing a 40 kW fuel cell package in the headquarters of the California Public Utilities Commission.

The plant consists of "stacks of fuel cells that use an electrochemical process to combine hydrogen with oxygen to produce electricity, heat and steam.

Electrical output is converted to alternating current for the customer to use. Steam is piped to another part of the small plant where it is used to convert natural gas to the hydrogen-rich gas needed to sustain the reaction in the fuel cells.

The fuel cell unit which has been produced by United Technologies Corporation will provide electricity and most of the building's domestic hot water needs. The unit would meet the power needs of about 40 family homes.

MONITORING

## Charcoal badges help warn of gas danger

BY PETER MARSH

TIGHTER safety checks on a chemical widely used in the plastics *industry* and *in* hospitals could spell good news for a Birmingham company that makes portable monitors to detect noxious gases.

The chemical is ethylene oxide, used in the manufacture of some polyesters. Hospitals and health-equipment companies also buy the gas, made in Britain by Shell, BP and ICI. With the substance, workers sterilise items such as catheters that feature in surgical operations.

In recent years, government administrators have become eware of the harmful effects of the gas, which is thought to cause cancer.

In Britain, the Health and Safety Executive has reduced the permissible concentration in air from 50 parts per million in 1980 to a tenth of this figure today. In the U.S. the Occupational Health and Safety Administration is considering whether to reduce the limit still more, to 1 part per million.

All of which works in the business interests of Dutom, a small company set up four years ago by Dr John Thompson, a chemist, and Mr John Dutton, an accountant who used to work for BL. Last year, the company raised extra capital of just over £1m through private investors.

Dutom, with a staff of 25 and annual sales of about £150,000, has engineered a monitoring system that it says can detect ethylene oxide in concentrations of as little as 0.25 parts per million.

Trials with the system are about to start in two hospitals in Birmingham and at the medical school of the University of Virginia in Charlottesville.

Mr Dutton, the company's managing director, says that the biggest market for the monitoring hardware is in the U.S., where more hospitals use ethylene oxide for sterilising equipment.

Dutom is talking to two commercial organisations in the U.S. about setting up joint ventures to sell an ethylene oxide monitoring service.

Mr Dutton estimates that 75,000 workers in America come into contact with ethylene oxide. To check whether these people are breathing too much of the gas, their employers would have to screen them four times a year. On this basis, says Mr Dutton, companies such as Dutom that provide a screening service stand to pick up orders worth some £4m a year.

In Dutom's system, workers are issued with badges filled with specially prepared charcoal. The badges absorb ethylene oxide in the atmosphere. Later, the badges are heated in an oven to drive off the gas.

The concentration of ethylene oxide is determined by feeding it to a gas chromatograph, a standard device that costs about £5,000. In the hardware, a gas is burnt in such a way as to make it ionise. The resulting electrical signal indicates how much of the gas is present.

The key parts of the system to monitor ethylene oxide are the badges, costing about £10 each, and the ovens, which Dutom sells for some £2,000.

Both are adaptations of hardware that the company already makes for monitoring other kinds of gases. Crucially, says Dutom, its *equipment* can measure ethylene oxide in smaller concentrations than conventional techniques.

Conventionally, ethylene oxide is again trapped using charcoal. But then this has to be mixed with another substance, carbon disulphide, to release the gas for measurement. Less ethylene oxide is available for analysis. Furthermore, carbon disulphide is itself harmful.

Besides selling monitoring hardware, Dutom makes biochemicals, for example for diagnostic kits that detect chemicals such as proteins. The company also does research for other commercial organisations on a consultancy basis.

Dr Thompson, Dutom's technical director, attaches importance to maintaining links with Birmingham University, at whose medical school he used to work. The company is discussing whether to move its premises to a site on the university that is to form part of the latter's new Institute of Research and Development.



Commuting

## Taking tickets

ELECTRONIC season tickets that talk to their holders as they walk through turnstyles is the idea of Slough-based Eureka. The company says that its new rapid access system would eliminate the crowds of commuters queuing impatiently at platform exits.

Eureka proposes that instead of a conventional season ticket, commuters would buy a small battery operated tag about the size of a wristwatch. At issue, the tag would be coded with details of the owner's name, destination and the validity period. These details are automatically transmitted each time the tag passes sensors controlling turnstiles at exits.

The company says that the ticket tags would function continuously even if they were in a person's briefcase or handbag. More information from Eureka on 0753 37722.

Peripherals

## Printers from TeleVideo

TELEVIDEO has formed a new subsidiary, called Mechatron Systems, to make low cost, high speed daisy wheel printers. The company has been looking at the printer market for two years and now feels that it can *make improvements to* designs.

Mechatron has launched its first printer, the Series 50, with a suggested U.S. retail price of $1,595. More details on the printer from TeleVideo in Sunnyvale, California on (408) 745 7760.

# WORLD TRADE NEWS

## EEC applies stringent quotas on quartz watch exports to France

BY IVO DAWNAY IN BRUSSELS

THE EEC yesterday applied stringent quotas on exports of digital quartz watchos to France under a little-used regulation enforced only in cases of serious risk to domestic industries.

The decision allows France to put a ceiling of 6.8m units on imports in the current year, though this must bo relaxod progressively by 5 per cent annually in 1985 and 1986, allowing froe access tho following yoar.

Restrictions will fall heaviest on Hong Kong manufacturors who now must restrain exports to 4.4m units this year. Other coilings imposed on an historical markot share basis will hit Japan, South Korea, Macao and Taiwan with just 160,000 units allowed to all other countries.

Rogulations under which the quotas have heen applied bavo only boon used twico before, indicating the seriousness with which tho EEC Commission has taken the import threat.

While there are no claims that the Far Eastern producers are dumping their watches, tho EEC contends that the level of exports now ropresents a "serious Injury" to Fronch producers, hitting market share profitability and employment in a region with few economic alternatives.

The French industry, based In Franche-Comté, produces about 8m units a year, reprosenting 70 por cent of total Community production.

Imports, however, have now leapt to more than 53m watches annually, out of a total market on about 64m. Of these, more than 80 per cent are digital quartz watches, undercutting EEC producers' prices hy between 12 and 17 per cent.

Despite vigorous restructuring efforts, including cuts of 18 per cent of tho workforce, the French Industry has failed to hold off the import tide, leading to losses of 11 per cent on salos in 1983.

It was In these circumstances that tho Commission has justified its move in an attempt to allow tho industry breathing space to modernise and diversify.

## U.S. chemicals advantage curbed

BY OUR BRUSSELS CORRESPONDENT

THREE U.S. chomical companies have agreed to increase tho prices of thoir propyl alcohol exports to the EEC after dumping complaints from European manufacturers, it was announced yesterday.

An investigation by tho European Commission found that Celanese Chemical, Eastman Chemical International and Union Carbido had made major inroads into tho EEC market with margins ranging from 18.5 to 25 per cent undor cost.

The companies' sales of tho cbemical, which is widely used in cosmetic and agricultural products, had more than douhlod from 3,991 tonnes in 1979 to 8,738 tonnes in the first nine months of last year.

With prices as much as 25 per cent lowor than Community producors, tho U.S. market share had risen from 44 to 72 per cent over tho same five year period, cutting prices, capacity and sales particularly for West German, Luxembourg and Belgium producers.

Since the investigation, the U.S. companies have agreed to new price undertakings acceptahle to the Commission.

## Four-way pact on jet engines

TOKYO — Mitsubishi Hoavy Industries of Japan has joined companies from tho U.S., West Germany and Sweden in an agreement to develop and produce aircraft jet engines jointly, a Mitsubishi official said yesterday.

The official said Mitsubishi will produce two versions of tho "JT8D-200" series of jot engines already developed by Pratt and Whitney of the U.S., and join tho other companies in dovoloping additional versions.

Mitsubishi will pay about Y1hn ($4.4m) to use Pratt and Whitney's technology and sales network for the models to ba developed, said the official.

Ho said earnings are to be divided according to each partner's apportionment of development and production costs.

Mitsubishi will be involved in 3 per cent of production and development, Motoren und Turbinen Union Munchen, of West Germany 11 per cent and Volvo Flygmotor of Sweden 6 per cent, he added.

## Moscow call on U.S. to improve ties for trade

MOSCOW—The Soviet Union said yesterday it wanted better trading links with the U.S., but that it was up to Washington to create the right conditions.

Depnty Foreign Trade Minister Gennady Zhuravlev told a news conference that Moscow was eager to step up business, but was being blocked hy restrictions imposed hy Washington.

He named these as strict limits on tho technology U.S. firms were allowed to sell in the Soviet Union and U.S. refusal to grant the Soviet Union most favoured nation trading status, which would lower tariffs on imported goods.

He added: "We are not asking for any special favours. Wo just want to trado with the Americans on the basis of normal principles." U.S.-Soviat trade fell by 15 per cent last year, largoly because of a decline in Soviet grain imports.

Zhuravlev said prospects for early improvement were not good as trading links were strongly influenced by poor Soviet-U.S. political relations.

The Reagan Administration has tightened restrictions on high technology exports to the Soviet Union to prevent their use in developing new weapons.

● In Washington, the U.S. House of Representatives subcommittee on trade urged Congress to consider offering most favoured nation tariff privileges to Hungary, Romania, East Germany, Czechoslovakia and Bulgaria for extended periods in order to lessen their economic dependence on the Soviet Union.

It also said Eastern Europe represented a limited but relatively untapped market for U.S. products, particularly in agriculture and technology.

Reuter

## U.S. states develop strategies to attract European investment

BY FRANK GRAY

A GROWING number of individual U.S. states this year are discovering Europe as never before.

By the end of the year, as many as two dozen of these states will have sent major trada missions to Europe in an effort to boost inward investment. Many are being led by thoir Governors and other top officials.

Gov James Thompson of Illinois recently let a 50-strong group of stato and municipal officials, businossmon, and trado counsellors on a swing through Stockholm, Frankfurt, Paris and London. The Illinois delegstion found itself crossing paths in London with a smaller mission led by Gov Christopher Bond of Missouri, which had held investment seminars in Stuttgart and Paris.

South Carolina's Gov Richard Riley recently took a small mission to Italy, Switzerland and Gormany. That was followed last wook by a visit of a 50-member team from his stato to London, led by Mr Boh Leak, the state's development board director.

The South Carolina mission follows by several months the visit to London of Gov James Hunt of North Carolina, and it coincided last week with a visit by a team of Ohio state officials led by Gov Riehard Celeste.

A U.S. Embassy official in London pointed out that the surge in investment missions in the last year was without precedent.

"We used to handle two or three a year, but we've already handled four in the first quarter this year, and there are plenty more to come."

Gov Celeste explained the phenomenon this way: "The role of most states in fashioning developmont strategies involving foreign investors has only emerged in the last two or threa years. Before that, these strategies were largely related to regional rivalries within the states and were not outward looking."

Investors themselves were also increasingly anxious to learn more about opportunities in the state, "and this is why personal contact in these missions is absolutely vital.

Each state tells its own story. New York, which regularly sends missions, promises no new taxes and provides incentives for investing away from New York City. The Carolinas both boast about the low percentage of unionised labour, abundant cheap land and the agricultural and high technology mix in their states. Ohio's pitch is that it is "in the heart of it all"—Cleveland is equidistant from New York and Chicago, America's two largest cities.

In their seminars with European companies, state leaders say that two points consistently emerge as grave concerns by potential investors. These are:

● The continuing U.S. federal budget deficit and the resulting high interest rates and distorted value of the U.S. dollar against foreign currencies.

● The deterrent effect on investment of unitary taxation.

The budget deficit has united two political opposites. Gov Thompson, an influential Republican and chairman of the National Governors Council and Gov Hunt, an equally influential Democrat who is seeking a U.S. Senate seat this year. Both say the U.S. defence spending is "too high."

"The governors have become aware in recent years that most of our difficulties with our state economies stem from national and international policies—the strong dollar and the deficit are examples," said Gov Thompson.

"I don't think anything fundamental can be done about it this year, but a restructuring of the deficit is badly needed."

On the unitary tax issue — under which some 13 states calculate tax on U.S. national and foreign companies on the basis of their corporate earnings — Gov Hunt said he was startled at the depth of ill-feeling in Europe about it, but he agreed with the views he heard.

"Our state does not have it and does not intend to have it. I cannot think of a greater deterrent to investment at a time when investment is needed."

Florida found out last year how costly the tax would ba to them. The state's successes in attracting foreign investment in recent years came to a near standstill last September when it introduced the tax. Several UK missions and European investments in Florida were cancelled; and the stata subsequently announced plans to withdraw the tax. It has been joined by Massachussetts and Minnesota with similar declarations.

The Council of American States in Europe, a Brussels-based organisation, puts foreign investment at around $100bn (£69bn). Foreign companies have about 10,000 plants and offices in the U.S. and employ more than 1m. Most of the growth has taken place since the mid-1970s.

Gov. Celeste of Ohio . . . outward looking

Investment is being helped by the increasing spread of state and municipal offices throughout Europe.

The American Chamber of Commerce in London, the largest of the U.S. chambers in Europe, says that there are now 36 offices in Europe, 15 of which are in London and another 11 in Brussels.

"Until a few years ago, Brussels was given scant attention, but with the growth in tha size of the EEC, and the complexities of dealing with it, many states are recognising the importance of having offices there," said one official.

While most of the major states—New York, Illinois, Pennsylvania, Florida and Texas—are represented, there are some conspicuous omissions, such as California, which claims to have more foreign investment within its borders than any other state. The smallest state, Rhoda Island, has European offices, as does Puerto Rico, which is not a state but a U.S. dependency.

## Japan responds to Canada quotas

BY BERNARD SIMON IN TORONTO

ELEVEN Japanese motor manufacturers and 21 Japanese parts makers have set up a company in Canada to explore ways of increasing Japanese investment in the local motor industry.

Known as Pacific Automotive Co-operation Inc, the new company is a response to Canada's refusal to raise import quotas for Japanese cars without further Japanese involvement in local assembly or parts production. The participants in the company, which is expected to become operational within the next month or so, include Honda, Toyota, Nissan, Mazda, Subaru and Suzuki.

Canada's 1983-84 quota on car imports from Japan, set at 153,000 vehicles, expired at the end of last month and talks to renew it have settled on Japan's request for a 10 per cent increase. The Japanese argue that they have been deprived of a share in the recent rapid growth of the Canadian car market, pointing out that Canada is one of the few countries with which Japan maintains a trade deficit.

The Japanese share of the Canadian car market dropped from 25 per cent in 1982 to 20 per cent last year, and dealers have resorted to importing a higher proportion of expensive models to maintain their profit margins

Japanese manufacturers baulk at committing themselves to a full-scale vehicle assembly, or even engine plant, in Canada. Despite generous incentives offered by provincial governments, an official of one trade association representing Japanese interests said that the manufacturers are discouraged by the relatively small Canadian market, the difficulty of exporting cars to the U.S. without jeopardising the U.S.-Canada free trade agreement in automobiles, and Canada's poor industrial relations record.

An official of Honda's local subsidiary denied reports that the company is about to announce construction of an assembly line in Ontario, although he said that "we are looking at various possibilities."

Pacific Automotive Co-operation and the manufacturers individually are expected to concentrate on opportunities to expand purchases of Canadian parts and local component manufacture.

Toyota is currently building an aluminium wheel plant in British Columbia, and announced recently that it is to buy 4,000 locally made Michelin tyres each month for cars shipped to Canada. Canadian companies also supply a substantial number of windshields and batteries for imported Japanese vehicles.

The Japanese strongly oppose any formal local content programme along the lines suggested in a Government report last year. They argue that such a programme would significantly raise retail car prices without creating new jobs in Canada.

## Mitchell Cotts gets Ethiopia compensation

By Our World Trade Staff

MITCHELL COTTS, the British engineering and trading group, has reached agreement with the Ethiopian Government for compensation amounting to £2.6m in respect of its cotton plantation subsidiary, Tendaho Plantations Share Company which was nationalised in 1975.

The outstanding accrued interest in the plantation subsidiary was valued in Mitchell Cotts' latest accounts at £2.2m.

Ten per cent of this sum is to be paid immediately and the balance, together with interest, will be paid in 14 six-monthly instalments, starting in October.

In addition, the Ethiopian Government has agreed to the remittance of outstanding dividends due from the subsidiary to Mitchell Cotts prior to nationalisation.

All payments will be made in sterling in London.

## Grenada airport pledges boost tourist development

BY CANUTE JAMES IN KINGSTON

THE decision of tho U.S. and Canadian governments to provide funds for the completion of an international airport on the island of Grenada has brought new investments totalling $55m in the island's tourism.

The investments from U.S., Caribean and local companies, are expected to add about 1,100 new hotel rooms to the present 400.

The temporary Government in Grenada has echoed the belief of the Socialist administration, overthrown in a bloody coup last October, that tourism presents an opportunity for the development of the island's economy.

The Hyatt hotel chain of the U.S. is to lease tha state-owned Grenada Beach Hotel, which was damaged during tha U.S. invasion which followed the coup. The lease agreement will become operative when another 250 rooms have been added and the hotel repaired.

# Gencor Group

## Gold Mining Companies' Reports for the Quarter ended 31 March 1984

All companies mentioned are incorporated in the Republic of South Africa

### BUFFELSFONTEIN Gold Mining Company Limited

Issued capital—11 000 000 ordinary shares of R1 each.
—12 400 158 non-cumulative preference shares of R1 each.

| Operating results Buffelsfontein GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 | 9 months ended 31.3.1984 |
|---|---|---|---|
| Mined (m²) | 216 927 | 257 647 | 712 439 |
| Ore milled (t) | 832 000 | 830 000 | 2 491 000 |
| Gold produced (kg) | 7 405 | 7 637 | 22 675 |
| Yield (g/t) | 8,9 | 9,2 | 9,1 |
| Working revenue (R/t milled) | 132,09 | 136,49 | 134,81 |
| Working costs (R/t milled) | 78,36 | 76,44 | 76,87 |
| (R/m² mined) | 300,55 | 246,25 | 268,78 |
| Working income (R/t milled) | 53,73 | 60,05 | 57,94 |
| Gold price received (R/kg) | 14 909 | 14 794 | 14 815 |
| ($/oz) | 385 | 393 | 399 |

The above figures include ore processed by Stilfontein Gold Mining Company Limited.

| URANIUM | | | |
|---|---|---|---|
| Pulp treated (t) | 777 000 | 784 000 | 2 341 000 |
| Oxide produced (t) | 142,0 | 164,0 | 459,5 |
| Yield (kg/t) | 0,18 | 0,21 | 0,20 |
| **Beatrix Section GOLD** | | | |
| Mined (m²) | 6 000 | 2 000 | 8 000 |
| Ore milled (t) | 32 000 | 32 000 | 64 000 |
| Gold produced (kg) | 56 | 12 | 68 |
| Yield (g/t) | 1,75 | 0,38 | 1,06 |

| Financial results (R'000) Buffelsfontein | | | |
|---|---|---|---|
| GOLD—Working revenue | 109 898 | 113 288 | 335 813 |
| —Working costs | 65 198 | 63 444 | 191 488 |
| —Working income | 44 700 | 49 844 | 144 325 |
| URANIUM—Working income | 14 527 | 2 072 | 17 811 |
| Sundry income—net | 3 158 | 1 704 | 7 844 |
| Dividend received | — | 1 200 | 1 200 |
| Tribute and royalties—net | (8 319) | (7 604) | (16 389) |
| Income before taxation and State's share of income | 56 066 | 47 318 | 154 591 |
| Taxation and State's share of income | 5 424 | 4 259 | 15 807 |
| Income after taxation and State's share of income | R50 642 | R43 057 | R138 784 |
| Appropriation for capital expenditure | 36 554 | 28 057 | 93 587 |
| Actual capital expenditure | 11 233 | 14 986 | 37 849 |
| Dividend declared | — | 29 700 | 29 700 |

| Development Buffelsfontein—Vaal Reef | | | |
|---|---|---|---|
| Advanced (m) | 12 797 | 12 405 | 38 825 |
| Advanced on reef (m) | 1 103 | 960 | 2 993 |
| Sampled (m) | 904 | 776 | 2 495 |
| Channel width (cm) | 108 | 101 | 103 |
| Average value—gold (g/t) | 14,4 | 18,0 | 15,5 |
| — (cm.g/t) | 1 550 | 1 816 | 1 594 |
| —uranium (kg/t) | 0,532 | 0,806 | 0,546 |
| — (cm.kg/t) | 57,26 | 60,94 | 56,06 |
| **Beatrix Section—Beatrix Reef** | | | |
| Station cutting (m) | 437 | 1 602 | 2 916 |
| Advanced (m) | 6 915 | 4 889 | 13 183 |
| Advanced on reef (m) | 511 | 314 | 1 029 |
| Sampled (m) | 486 | 285 | 959 |
| Channel width (cm) | 35 | 28 | 36 |
| Average value—gold (g/t) | 17,8 | 17,1 | 15,7 |
| — (cm.g/t) | 619 | 445 | 551 |

**REMARKS**

**Buffelsfontein**

**Capital expenditure**
Amounts approved not yet spent—R50 846 000
Commitments in respect of contracts placed—R5 074 000

**Dividend**
A dividend of 270 cents per share was paid on 2 February 1984.

**Beatrix Section**

**Capital expenditure**
Actual capital expenditure for the quarter amounted to R43,5 million, including interest of R16,9 million which has been capitalised (December 1983 quarter R47,5 million including interest of R16,3 million capitalised).
Amounts approved not yet spent—R152 119 000
Commitments in respect of contracts placed—R18 168 000

**Progress**
Income from gold sales amounted to R354 000 (previous quarter—R172 000) at a gold price of R14 899 (R14 584) and was credited to capital expenditure. The main haulage connection on 3 level between the No. 1 and No. 2 Shafts was holed on 13 February. The statutory second outlet is thus available and development can now proceed without restriction.

### STILFONTEIN Gold Mining Company Limited

Issued capital—13 062 920 shares of 50 cents each.

| Operating results GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 |
|---|---|---|
| Mined (m²) | 127 940 | 122 763 |
| Ore milled (t) | 452 000 | 473 000 |
| Gold produced (kg) | 2 857 | 3 019 |
| Yield (g/t) | 6,3 | 6,4 |
| Working revenue (R/t milled) | 99,26 | 96,46 |
| Working costs (R/t milled) | 75,68 | 70,33 |
| (R/m² mined) | 267,26 | 270,97 |
| Working income (R/t milled) | 23,61 | 26,13 |
| Gold price received (R/kg) | 15 422 | 14 840 |
| ($/oz) | 387 | 392 |

The above figures exclude ore processed for Buffelsfontein Gold Mining Company Limited.

| Financial results (R'000) | | |
|---|---|---|
| GOLD—Working revenue | 44 867 | 45 625 |
| —Working costs | 34 196 | 33 264 |
| —Working income | 10 671 | 12 361 |
| Sundry income—net | 1 792 | 1 863 |
| Dividend received | — | 4 800 |
| Tribute and royalties—net | (1 425) | (823) |
| Income before taxation and State's share of income | 11 038 | 18 201 |
| Taxation and State's share of income | 4 810 | 7 149 |
| Income after taxation and State's share of income | R6 228 | R11 052 |
| Capital expenditure | 412 | 360 |
| Dividend declared | — | 18 288 |

| Development | Quarter ended 31.3.1984 Vaal Reef | V.C.R. | Quarter ended 31.12.1983 Vaal Reef | V.C.R. |
|---|---|---|---|---|
| Advanced (m) | 7 826 | 3 009 | 7 765 | 2 839 |
| Advanced on reef (m) | 969 | 667 | 824 | 669 |
| Sampled (m) | 818 | 812 | 639 | 543 |
| Channel width (cm) | 27 | 49 | 22 | 46 |
| Average value | | | | |
| —gold (g/t) | 41,4 | 5,4 | 50,0 | 5,9 |
| — (cm.g/t) | 1 131 | 268 | 1 081 | 272 |
| —uranium (kg/t) | 0,573 | 0,074 | 0,679 | 0,112 |
| — (cm.kg/t) | 15,64 | 3,64 | 14,67 | 5,15 |

**REMARKS**

**Capital expenditure**
Amounts approved not yet spent—R1 416 000
Commitments in respect of contracts placed—R132 000

**Dividend**
A dividend of 140 cents per share was paid on 2 February 1984.

**Gold forward sales**
Gold working revenue includes the effect of closing out of forward sales contracts during the quarter.

### Chemwes Limited

(A subsidiary of Stilfontein Gold Mining Company Limited)
Issued capital—1 000 shares of R1 each.

| Operating results | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 |
|---|---|---|
| Pulp treated (t) | 953 000 | 992 000 |
| Oxide produced (t) | 140,8 | 163,3 |
| Yield (kg/t) | 0,15 | 0,16 |
| **Financial results (R'000)** | | |
| Net income | R6 091 | R4 988 |
| Income appropriated for capital expenditure | 165 | (20) |
| Actual capital expenditure | 165 | (20) |
| Dividend declared | — | 6 000 |

**REMARKS**

**Capital expenditure**
Amounts approved not yet spent—R1 000 000
Commitments in respect of contracts placed—R83 500.

**Dividend**
A dividend totalling R6 million was paid on 2 February 1984.

### BRACKEN Mines Limited

Issued capital—14 000 000 shares of 90 cents each.

| Operating results GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 | 6 months ended 31.3.1984 |
|---|---|---|---|
| Mined (m²) | 60 624 | 66 279 | 126 903 |
| Ore milled (t) | 245 000 | 245 000 | 490 000 |
| Gold produced (kg) | 845 | 858 | 1 703 |
| Yield (g/t) | 3,4 | 3,5 | 3,5 |
| Working revenue (R/t milled) | 53,83 | 51,95 | 52,89 |
| Working costs (R/t milled) | 38,77 | 38,44 | 38,61 |
| (R/m² mined) | 156,69 | 142,10 | 149,07 |
| Working income (R/t milled) | 15,06 | 13,51 | 14,28 |
| Gold price received (R/kg) | 15 276 | 14 775 | 15 023 |
| ($/oz) | 386 | 394 | 390 |

| Financial results (R'000) | | | |
|---|---|---|---|
| GOLD—Working revenue | 13 188 | 12 727 | 25 815 |
| —Working costs | 9 499 | 6 416 | 18 917 |
| —Working income | 3 689 | 3 309 | 6 998 |
| Sundry income—net | 607 | 542 | 1 149 |
| Tributes and royalties—net | (165) | (129) | (294) |
| Income before taxation and State's share of income | 4 131 | 3 722 | 7 853 |
| Taxation and State's share of income | 2 511 | 2 135 | 4 646 |
| Income after taxation and State's share of income | R1 620 | R1 587 | R3 207 |
| Capital expenditure | 179 | 225 | 404 |
| Dividend declared | 3 220 | — | 3 220 |

| Development—Kimberley Reef | | | |
|---|---|---|---|
| Advanced (m) | 642 | 705 | 1 347 |
| Advanced on reef (m) | 181 | 165 | 346 |
| Sampled (m) | 165 | 170 | 335 |
| Channel width (cm) | 38 | 29 | 34 |
| Average value—gold (g/t) | 12,8 | 11,8 | 12,4 |
| — (cm.g/t) | 490 | 342 | 415 |

**REMARKS**

**Capital expenditure**
Amounts approved not yet spent—R1 220 000
Commitments in respect of contracts placed—R27 000

**Dividend**
On 1 March 1984 dividend No. 43 of 23 cents per share was declared to members registered on 16 March 1984. Dividend warrants will be posted on 3 May 1984.

### ST. HELENA Gold Mines Limited

Issued capital— 8 825 800 ordinary shares of R1 each.
—10 115 070 cumulative preference shares of R1 each.

| Operating results St. Helena GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 |
|---|---|---|
| Mined (m²) | 118 390 | 122 321 |
| Ore milled (t) | 570 000 | 570 000 |
| Gold produced (kg) | 3 249 | 3 306 |
| Yield (g/t) | 5,7 | 5,8 |
| Working revenue (R/t milled) | 84,97 | 83,95 |
| Working costs (R/t milled) | 47,66 | 47,60 |
| (R/m² mined) | 229,45 | 221,82 |
| Working income (R/t milled) | 37,31 | 36,35 |
| Gold price received (R/kg) | 14 878 | 14 434 |
| ($/oz) | 393 | 389 |
| **Beisa Section GOLD** | | |
| Mined (m²) | 90 874 | 96 569 |
| Ore milled (t) | 289 000 | 285 000 |
| Gold produced (kg) | 537 | 441 |
| Yield (g/t) | 1,86 | 1,56 |
| **URANIUM** | | |
| Pulp treated (t) | 289 000 | 285 000 |
| Oxide produced (t) | 153,4 | 138,3 |
| Yield (kg/t) | 0,53 | 0,49 |

| Financial results (R'000) St. Helena | | |
|---|---|---|
| GOLD—Working revenue | 48 433 | 47 850 |
| —Working costs | 27 164 | 27 133 |
| —Working income | 21 269 | 20 717 |
| Sundry income—net | 2 354 | 3 030 |
| Income before taxation and State's share of income | 23 623 | 23 747 |
| Taxation and State's share of income | 14 330 | 11 292 |
| Income after taxation and State's share of income | R9 293 | R12 455 |
| Appropriation for capital expenditure | 3 169 | 1 058 |
| Actual capital expenditure | 1 058 | 2 214 |
| Dividend declared | — | 18 287 |

| Development—St. Helena | Quarter ended 31.3.1984 Basal Reef | Leader Reef | Quarter ended 31.12.1983 Basal Reef | Leader Reef |
|---|---|---|---|---|
| Advanced (m) | 1 172 | 1 141 | 1 645 | 1 846 |
| Advanced on reef (m) | 159 | 709 | 126 | 1 040 |
| Sampled (m) | 159 | 717 | 126 | 1 004 |
| Channel width (cm) | 69 | 131 | 76 | 121 |
| Average value | | | | |
| —gold (g/t) | 25,6 | 2,8 | 12,0 | 3,2 |
| — (cm.g/t) | 1 763 | 367 | 911 | 382 |

| Beisa Section—Beisa Reef | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 |
|---|---|---|
| Advanced (m) | 2 891 | 4 233 |
| Advanced on reef (m) | 561 | 687 |
| Sampled (m) | 707 | 673 |
| Channel width (cm) | 79 | 79 |
| Average value | | |
| —gold (g/t) | 3,7 | 3,6 |
| — (cm.g/t) | 289 | 281 |
| —uranium (kg/t) | 1,228 | 1,180 |
| — (cm.kg/t) | 97,00 | 94,00 |

**REMARKS**

**St. Helena**

**Capital expenditure**
Amounts approved not yet spent—R95 754 000.
Commitments in respect of contracts placed—R10 684 000.

**Dividend**
A dividend of 190 cents per share was paid on 2 February 1984.

**Beisa Section**

**Capital expenditure**
Actual capital expenditure for the quarter amounted to R0,2 million (December 1983 quarter R1,1 million).
Amounts approved not yet spent—R16 474 000.
Commitments in respect of contracts placed—R329 000.

**Agreement between St. Helena and Beisa**
No income has accrued to St. Helena to date.

### MARIEVALE Consolidated Mines Limited

Issued capital—4 500 000 shares of 25 cents each.

| Operating results GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 |
|---|---|---|
| Mined (m²) | 13 949 | 16 512 |
| Ore milled (t) | 95 000 | 100 000 |
| Gold produced (kg) | 295 | 336 |
| Yield (g/t) | 3,1 | 3,4 |
| Working revenue (R/t milled) | 46,93 | 50,30 |
| Working costs (R/t milled) | 38,50 | 35,83 |
| (R/m² mined) | 262,17 | 216,99 |
| Working income (R/t milled) | 8,43 | 14,47 |
| Gold price received (R/kg) | 15 054 | 14 812 |
| ($/oz) | 377 | 393 |
| **Financial results (R'000)** | | |
| GOLD—Working revenue | 4 458 | 5 030 |
| —Working costs | 3 657 | 3 583 |
| —Working income | 801 | 1 447 |
| Sundry income—net | 95 | 56 |
| Tribute and royalties—net | (24) | 7 |
| Income before taxation | 872 | 1 510 |
| Taxation | 523 | 610 |
| Income after taxation | R349 | R900 |
| Dividend declared | — | 1 170 |
| **Development** | | |
| Advanced (m) | 659 | 1 007 |
| Advanced on reef (m) | 367 | 591 |
| Sampled (m) | 363 | 581 |
| Channel width (cm) | 102 | 69 |
| Average value—gold (g/t) | 4,7 | 6,0 |
| — (cm.g/t) | 475 | 415 |

**REMARKS**

**Dividend**
A dividend of 26 cents per share was paid on 2 February 1984.

**Gold forward sales**
Gold working revenue includes the effect of closing out of forward sales contracts during the quarter.

### The GROOTVLEI Proprietary Mines Limited

Issued capital—11 438 818 stock units of 25 cents each.

| Operating results GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 |
|---|---|---|
| Mined (m²) | 118 608 | 118 187 |
| Ore milled (t) | 490 000 | 505 000 |
| Gold produced (kg) | 1 768 | 1 818 |
| Yield (g/t) | 3,6 | 3,8 |
| Working revenue (R/t milled) | 53,58 | 55,62 |
| Working costs (R/t milled) | 41,08 | 37,68 |
| (R/m² mined) | 169,61 | 161,01 |
| Working income (R/t milled) | 12,52 | 17,94 |
| Gold price received (R/kg) | 14 799 | 14 595 |
| ($/oz) | 384 | 393 |
| **Financial results (R'000)** | | |
| GOLD—Working revenue | 26 251 | 28 092 |
| —Working costs | 20 117 | 19 030 |
| —Working income | 6 134 | 9 062 |
| Sundry income—net | 361 | 24 |
| Tribute and royalties—net | (30) | 149 |
| Income before taxation | 6 465 | 9 235 |
| Taxation | 2 995 | 3 977 |
| Income after taxation | R3 470 | R5 258 |
| Capital expenditure | 1 140 | 1 282 |
| Dividend declared | — | 6 978 |

| Development | Quarter ended 31.3.1984 Black Reef | Kimberley Reef | Quarter ended 31.12.1983 Black Reef | Kimberley Reef |
|---|---|---|---|---|
| Advanced (m) | 171 | 1 276 | 295 | 1 814 |
| Advanced on reef (m) | 50 | 655 | 50 | 1 181 |
| Sampled (m) | 50 | 639 | 47 | 1 170 |
| Channel width (cm) | 126 | 18 | 118 | 19 |
| Average value | | | | |
| —gold (g/t) | 5,6 | 23,4 | 7,8 | 14,0 |
| — (cm.g/t) | 701 | 422 | 901 | 266 |

**REMARKS**

**Capital expenditure**
Amounts approved not yet spent—R3 274 000
Commitments in respect of contracts placed—R256 000

**Dividend**
A dividend of 61 cents per stock unit was paid on 2 February 1984.

### UNISEL Gold Mines Limited

Issued capital—28 000 000 shares of no par value.

| Operating results GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 | 6 months ended 31.3.1984 |
|---|---|---|---|
| Mined (m²) | 61 629 | 66 683 | 128 312 |
| Ore milled (t) | 330 000 | 330 000 | 660 000 |
| Gold produced (kg) | 2 310 | 2 310 | 4 620 |
| Yield (g/t) | 7,0 | 7,0 | 7,0 |
| Working revenue (R/t milled) | 105,02 | 102,07 | 103,54 |
| Working costs (R/t milled) | 43,69 | 42,10 | 42,90 |
| (R/m² mined) | 233,95 | 208,36 | 220,65 |
| Working income (R/t milled) | 61,33 | 59,97 | 60,64 |
| Gold price received (R/kg) | 14 976 | 14 544 | 14 760 |
| ($/oz) | 390 | 390 | 390 |
| **Financial results (R'000)** | | | |
| GOLD—Working revenue | 34 655 | 33 683 | 68 338 |
| —Working costs | 14 418 | 13 894 | 28 312 |
| —Working income | 20 237 | 19 789 | 40 026 |
| Sundry income—net | 603 | 1 038 | 1 641 |
| Milling fee | (1 606) | (1 650) | (3 256) |
| Income before taxation and State's share of income | 19 234 | 19 177 | 38 411 |
| Taxation and State's share of income | 12 632 | 11 479 | 24 111 |
| Income after taxation and State's share of income | R6 602 | R7 698 | R14 300 |
| Capital expenditure | 334 | 342 | 676 |
| Dividend declared | 13 160 | — | 13 160 |

| Development | Quarter ended 31.3.1984 Basal Reef | Middle Reef | Leader Reef | Quarter ended 31.12.1983 Basal Reef | Middle Reef | Leader Reef | 6 months ended 31.3.1984 Basal Reef | Middle Reef | Leader Reef |
|---|---|---|---|---|---|---|---|---|---|
| Advanced (m) | 1 616 | 5 | 243 | 1 839 | 131 | 442 | 3 455 | 136 | 685 |
| Advanced on reef (m) | 486 | — | 172 | 420 | 80 | 369 | 906 | 80 | 541 |
| Sampled (m) | 541 | — | 197 | 365 | 58 | 293 | 906 | 58 | 490 |
| Channel width (cm) | 135 | — | 172 | 144 | 108 | 199 | 139 | 108 | 188 |
| Average value | | | | | | | | | |
| —gold (g/t) | 14,9 | — | 5,0 | 11,6 | 7,0 | 3,5 | 13,5 | 7,0 | 4,1 |
| — (cm.g/t) | 2 008 | — | 857 | 1 674 | 751 | 694 | 1 873 | 751 | 763 |

**REMARKS**

**Capital expenditure**
Amounts approved not yet spent—R4 321 000.
Commitments in respect of contracts placed—R1 760 000.

**Dividend**
On 1 March 1984 dividend No. 9 of 47 cents per share was declared to members registered on 16 March 1984. Dividend warrants will be posted on 3 May 1984.

### KINROSS Mines Limited

Issued capital—18 000 000 stock units of R1 each.

| Operating results GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 | 6 months ended 31.3.1984 |
|---|---|---|---|
| Mined (m²) | 118 992 | 132 269 | 249 261 |
| Ore milled (t) | 510 000 | 500 000 | 1 010 000 |
| Gold produced (kg) | 3 162 | 3 100 | 6 262 |
| Yield (g/t) | 6,2 | 6,2 | 6,2 |
| Working revenue (R/t milled) | 92,83 | 90,19 | 91,52 |
| Working costs (R/t milled) | 47,62 | 47,53 | 47,57 |
| (R/m² mined) | 207,58 | 179,67 | 192,77 |
| Working income (R/t milled) | 45,21 | 42,66 | 43,96 |
| Gold price received (R/kg) | 14 921 | 14 506 | 14 716 |
| ($/oz) | 385 | 391 | 388 |
| **Financial results (R'000)** | | | |
| GOLD—Working revenue | 47 345 | 45 095 | 92 440 |
| —Working costs | 24 285 | 23 765 | 48 050 |
| —Working income | 23 060 | 21 330 | 44 390 |
| Sundry income—net | 1 215 | 1 188 | 2 403 |
| Tribute and royalties—net | — | — | — |
| Income before taxation and State's share of income | 24 275 | 22 516 | 46 793 |
| Taxation and State's share of income | 15 544 | 12 493 | 28 037 |
| Income after taxation and State's share of income | R8 731 | R10 025 | R18 756 |
| Appropriation for capital expenditure | 1 195 | 2 134 | 3 329 |
| Actual capital expenditure | 632 | 1 191 | 1 823 |
| Dividend declared | 15 660 | — | 15 660 |
| **Development—Kimberley Reef** | | | |
| Advanced (m) | 4 483 | 6 076 | 9 559 |
| Advanced on reef (m) | 1 177 | 1 446 | 2 623 |
| Sampled (m) | 1 154 | 1 431 | 2 585 |
| Channel width (cm) | 36 | 28 | 32 |
| Average value—gold (g/t) | 21,6 | 27,5 | 24,3 |
| — (cm.g/t) | 785 | 788 | 776 |

**REMARKS**

**Capital expenditure**
Amounts approved not yet spent—R2 302 000
Commitments in respect of contracts placed—R537 000

**Dividend**
On 1 March 1984 dividend No. 32 of 87 cents per stock unit was declared to members registered on 16 March 1984. Dividend warrants will be posted on 3 May 1984.

**Prospecting expenditure**
Gencor has ceded to the company the right to prospect in the immediate vicinity of the mine and to date has incurred prospecting expenditure of R2 924 000 which has been partly financed by a long-term loan.

### LESLIE Gold Mines Limited

Issued capital—18 000 000 shares of 65 cents each.

| Operating results GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 | 6 months ended 31.3.1984 |
|---|---|---|---|
| Mined (m²) | 67 182 | 66 340 | 133 532 |
| Ore milled (t) | 290 000 | 290 000 | 580 000 |
| Gold produced (kg) | 1 073 | 972 | 2 045 |
| Yield (g/t) | 3,7 | 3,4 | 3,5 |
| Working revenue (R/t milled) | 57,72 | 49,50 | 53,61 |
| Working costs (R/t milled) | 41,72 | 41,23 | 41,48 |
| (R/m² mined) | 180,08 | 180,23 | 180,16 |
| Working income (R/t milled) | 16,00 | 8,27 | 12,13 |
| Gold price received (R/kg) | 16 325 | 14 693 | 15 025 |
| ($/oz) | 388 | 391 | 389 |
| **Financial results (R'000)** | | | |
| GOLD—Working revenue | 16 740 | 14 355 | 31 095 |
| —Working costs | 12 100 | 11 957 | 24 057 |
| —Working income | 4 640 | 2 398 | 7 038 |
| Sundry income—net | 400 | 291 | 691 |
| Tribute and royalties—net | — | (7) | (7) |
| Income before taxation and State's share of income | 5 040 | 2 682 | 7 722 |
| Taxation and State's share of income | 2 809 | 908 | 3 717 |
| Income after taxation and State's share of income | R2 231 | R1 774 | R4 005 |
| Capital expenditure | 170 | 341 | 511 |
| Dividend declared | 2 720 | — | 2 720 |
| **Development—Kimberley Reef** | | | |
| Advanced (m) | 2 122 | 2 294 | 4 416 |
| Advanced on reef (m) | 497 | 617 | 1 114 |
| Sampled (m) | 500 | 639 | 1 139 |
| Channel width (cm) | 19 | 15 | 16 |
| Average value—gold (g/t) | 18,7 | 22,4 | 20,4 |
| — (cm.g/t) | 359 | 291 | 321 |

**REMARKS**

**Capital expenditure**
Amounts approved not yet spent—R1 544 000
Commitments in respect of contracts placed—R32 000

**Dividend**
On 1 March 1984 dividend No. 39 of 17 cents per share was declared to members registered on 16 March 1984. Dividend warrants will be posted on 3 May 1984.

### WINKELHAAK Mines Limited

Issued capital—12 180 000 shares of R1 each.

| Operating results GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 | 6 months ended 31.3.1984 |
|---|---|---|---|
| Mined (m²) | 145 471 | 155 538 | 301 009 |
| Ore milled (t) | 600 000 | 600 000 | 1 200 000 |
| Gold produced (kg) | 3 720 | 3 720 | 7 440 |
| Yield (g/t) | 6,2 | 6,2 | 6,2 |
| Working revenue (R/t milled) | 93,71 | 90,30 | 92,00 |
| Working costs (R/t milled) | 38,88 | 38,18 | 38,52 |
| (R/m² mined) | 160,37 | 147,20 | 153,56 |
| Working income (R/t milled) | 54,83 | 52,14 | 53,48 |
| Gold price received (R/kg) | 14 977 | 14 510 | 14 743 |
| ($/oz) | 388 | 391 | 389 |
| **Financial results (R'000)** | | | |
| GOLD—Working revenue | 56 224 | 54 177 | 110 401 |
| —Working costs | 23 329 | 22 895 | 46 224 |
| —Working income | 32 895 | 31 282 | 64 177 |
| Sundry income—net | 2 462 | 2 302 | 4 764 |
| Tribute and royalties—net | (290) | (296) | (586) |
| Income before taxation and State's share of income | 35 067 | 33 288 | 68 355 |
| Taxation and State's share of income | 23 985 | 21 450 | 45 435 |
| Income after taxation and State's share of income | R11 082 | R11 838 | R22 920 |
| Capital expenditure | 1 527 | 1 406 | 2 933 |
| Dividend declared | 21 559 | — | 21 559 |
| **Development—Kimberley Reef** | | | |
| Advanced (m) | 3 078 | 3 400 | 6 478 |
| Advanced on reef (m) | 738 | 772 | 1 510 |
| Sampled (m) | 636 | 674 | 1 310 |
| Channel width (cm) | 63 | 65 | 64 |
| Average value—gold (g/t) | 14,6 | 13,4 | 14,0 |
| — (cm.g/t) | 922 | 873 | 897 |

**REMARKS**

**Capital expenditure**
Amounts approved not yet spent—R13 661 000
Commitments in respect of contracts placed—R1 865 000

**Dividend**
On 1 March 1984 dividend No. 48 of 177 cents per share was declared to members registered on 16 March 1984. Dividend warrants will be posted on 3 May 1984.

### WEST RAND Consolidated Mines Limited

Issued capital—4 250 000 ordinary shares of R1 each.
— 25 000 deferred shares of R2 each.

| Operating results GOLD | Quarter ended 31.3.1984 | Quarter ended 31.12.1983 |
|---|---|---|
| Mined (m²) | 100 087 | 102 855 |
| Ore milled (t) | 553 000 | 555 000 |
| Gold produced (kg) | 1 125 | 960 |
| Yield (g/t) | 2,0 | 1,7 |
| Working revenue (R/t milled) | 31,12 | 26,15 |
| Working costs (R/t milled) | 31,11 | 31,08 |
| (R/m² mined) | 171,78 | 167,53 |
| Working income (R/t milled) | 0,01 | (4,93) |
| Gold price received (R/kg) | 15 275 | 15 102 |
| ($/oz) | 385 | 404 |
| **Financial results (R'000)** | | |
| GOLD—Working revenue | 17 198 | 14 498 |
| —Working costs | 17 191 | 17 231 |
| —Working income | 7 | (2 733) |
| Uranium income | 1 693 | 1 465 |
| Sundry income—net | 866 | 899 |
| Income before taxation | 2 566 | (369) |
| Taxation | 1 231 | 6 |
| Income after taxation | R1 335 | (R375) |
| Capital expenditure | 56 | 414 |
| Dividends declared | — | 1 133 |
| **Development** | | |
| Advanced (m) | 4 291 | 4 580 |
| Advanced on reef (m) | 1 674 | 1 807 |
| Sampled (m) | 1 662 | 1 827 |
| Channel width (cm) | 88 | 81 |
| Average value—gold (g/t) | 6,0 | 6,8 |
| — (cm.g/t) | 529 | 616 |

**REMARKS**

**Capital expenditure**
Amounts approved not yet spent—R888 000.
Commitments in respect of contracts placed—R51 000.

**Dump milling**
A total of 203 900 tons was milled ex surface dumps (previous quarter 224 810 tons.)

**Dividend**
Dividends of 20 cents per ordinary share and R11,33 per deferred share were paid on 2 February 1984.

**Gold forward sales**
Gold working revenue includes the effect of closing out of forward sales contracts during the quarter.

**NOTES**

1. Development values quoted above represent actual results of sampling, and no allowance has been made for any adjustments which may be, or were, necessary when estimating ore reserves at the end of the financial years.
2. All financial figures are unaudited.
3. The quarterly reports have been approved and signed on behalf of the respective companies by two directors.
4. In all cases taxation for the current quarter has been calculated at the new rates, as announced in the recent budget, and includes adjustments in respect of the respective financial years to date.

*Copies are available from:* London Office, 30 Ely Place, London, EC1N 6U

Johannesburg, 18 April 1984

# UK NEWS

# Kinnock avoids pledging Labour to support strike

BY PHILIP BASSETT, LABOUR CORRESPONDENT

MR NEIL KINNOCK, leader of the Labour Party yesterday launched a scathing attack on the Government's and the National Coal Board's (NCB) handling of the miners' strike over pay and pit closures.

Although his speech to the Scottish trades union congress (STUC) in Aberdeen was Labour's strongest criticism so far of the Government's and the NCB's policy towards the coal strikes, Mr Kinnock drew a mixed response, once the standing ovation had died down.

Specifically, Scottish union leaders were unhappy that Mr Kinnock did not give backing to the one-day stoppage planned in Scotland – probably on May 1 – in support of the miners.

There was virtually no mention in Mr Kinnock's speech of Labour's policy towards the strikes, which has so far often been uneasy.

However, he did lay out a new three-part Labour strategy for the coal industry:

- It should concentrate on production, rather than short-term financial objectives.
- Proper attention should be paid to the non-energy use of coal than its export potential, rather than "short-sighted, unrealistic, three-year breakeven targets that not even the NCB believes in."
- A "realistic understanding" of the social and financial costs of further unemployment in the industry.

Repeating his charge that the Government and the NCB were trying to starve the miners into submission, Mr Kinnock said their theory was that if the miners' acquiescence could not be bought with higher redundancy payments, then "it will be imposed by intimidation."

He specifically charged Mr Ian MacGregor, NCB chairman, with "malice aforethought, attempted subordination and intimidation" for his suggestion that the miners would be out for a very long time.

The reason that the miners were taking strike action was because of high unemployment in mining areas, and the realisation that if they relinquished their jobs they *might never work again.*

He said of Mrs Margaret Thatcher, Prime Minister: "Every action is a test of personal pride. She feels herself impelled to rule by overrule, to govern by conquest."

# British Rail makes record £55m surplus

BY LYNTON McLAIN

BRITISH RAIL (BR) made a record operating surplus of £55.2m on its railway businesses last year, despite a decline in passenger and freight activity.

Mr Bob Reid, the chairman, said yesterday it was the best operating surplus since the railway board was formed in 1962. "My central theme as chairman is for BR to become more self-sufficient. By reducing dependence on others, the railway can earn the respect and increasing custom of the community."

The surplus became a net loss of £8.2m after other income, interest payments and a transfer of £16.7m from reserves. This compared with a net loss of £175.1m on rail activities the previous year, when BR suffered strikes over pay and productivity.

Mr Reid said that the work practice of flexible rostering (variable shifts) at the heart of those disputes had since been introduced throughout the rail system.

The BR group, taking in non-rail activities, made a net surplus of £7.8m last year against the net loss of £175m in 1982.

The number of passenger journeys at 695m was up 10 per cent on 1982, but down 3 per cent compared with 1981, a more comparable year because of the 1982 strikes. BR attributed the decline to a reduction in journeys under 20 miles. The passenger miles travelled fell by 2 per cent compared with 1981 an by over 6 per cent compared with 1979.

On its freight activities, BR reported an operating surplus or £8m on a gross income of £529m. Rail carried a total of 145.1m tonnes of freight last year, down by 6 per cent on 1981 and by over 14 per cent on 1979.

Financially, however, British Rail was in better shape and with better prospects of long-term stability than for several years, Mr Reid said. "The Government has introduced a degree of stability that we have not experienced before."

The Government has set BR targets for the level of grant support for the period to 1986. This support, the public service obligation grant, came to £855.6m last year with local authorities paying an additional £77.8m.

The Government plan, which BR has agreed to meet, called for this central government aid to fall by 25 per cent to £635m by 1986 (at 1983 prices).

BR's total capital investment of £279m last year was funded from within the business, with no long-term borrowing.

*The number of rail employees fell* by 5,979 last year, a 4 per cent drop on 1982. The BR board plans to cut a further 14,423 jobs by 1986, to a total of 141,000.

Train catering continued to lose money, although at a reduced rate, with a £4.9m loss last year compared with a £7m loss in 1982.

- British Rail has set a target date of June 30 for the sale of Sealink UK, its ferries and harbours subsidiary.

"Our expectation is that the proceeds from the sale will go straight into the BR corporate pot," Mr Derek Fowler, the BR vice-chairman, said yesterday. BR has received 14 responses from potential buyers of Sealink UK.

# Reuters and Mercury study collaboration

REUTERS, the international news agency and business information group, and Mercury Communications, the privately-financed competitor to British Telecom, are to study proposals for future collaboration.

They have formed a joint study group to identify both immediate and long-term opportunities for the development of a range of "value added" services, combining information and communications, for use in financial market trading in the City of London.

The link-up has been agreed despite Reuters' decision, announced at the weekend, to end talks about taking an equity stake in Mercury. Reuters had considered buying all or part of the 2 per cent interest owned by Barclays Merchant Bank, one of Mercury's three founding shareholders.

Sir Douglas Lowe, chairman of Mercury, said yesterday that the agreement with Reuters could lead to joint services being offered in Britain before the end of this year.

In the long-term, the two companies were studying international co-operating, particularly in video transmission. That could also involve Cable and Wireless, the international telecommunications group which owns 40 per cent of Mercury.

Mercury plans to launch an international communications service named Miracle, later this month. It is not known whether Reuters will participate in this.

- NORTHERN TELECOM, Canada's largest telecommunications manufacturer, is to supply equipment to British Telecom in a deal which could be worth more than £2m over the next two years.

Northern Telecom plans large investments in UK development and manufacturing facilities in the hope of winning a larger share of European markets.

- AUSTIN ROVER, the BL subsidiary, has lifted the threat to 1,200 jobs at Dunlop, Coventry, by awarding a three-year contract for the supply of steel wheels. The decision cleared the way for Dunlop to seek Government backing for a nearly £5m programme to produce what it describes as "the most flexible wheel-making operation in the world."

- BRITISH Steel Corporation is making redundant 176 of its 465 employees at its Ickles plant in Sheffield. The plant, part of BSC's railway and ring rolled products division, has suffered from depressed markets and intensive competition for all types of railway products, both at home and abroad.

- WESTLAND Aerospace Division, part of the Westland group of Yeovil, has won a $10m (£7m) contract from Boeing Vertol, the U.S. helicopter manufacturer, to supply fuel pods for the Boeing Chinook heavy helicopter.

- MR GORDON MANZIE, a deputy at the Department of Trade and Industry, is to be the new chief executive of the Property Services Agency which manages more than £10bn worth of Government property. He succeeds Mr Montagu Alfred, who left the agency in March after criticism of the way the department was run.

- BRITISH TELECOM is to be investigated by the Office of Fair Trading over alleged anti-competitive practices in the way it charges for advertising in its Yellow Pages directories. The inquiry follows complaints made by two advertising agencies.

# Insurance contract decision overruled by High Court judge

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

INSURANCE contracts made by companies operating in the UK without the Department of Trade's authority are valid and enforceable, even though the companies are operating illegally, a High Court judge has held. The ruling will be welcomed by insurance markets around the world.

The 1974 Insurance Companies Act prohibited insurance business from being conducted without the department's authority. It did not invalidate insurance contracts made in the course of carrying on unauthorised business, Mr Justice Leggatt said yesterday.

"The prohibition is an integral element in the statutory regulation of insurance business and is exclusively directed to the protection to insured persons," he said.

"To render individual contracts of insurance void would be not merely inconsistent with the policy of the Act, but repugnant to it."

The judge added: "Public policy requires the protection rather than the prejudice of insured persons, and at the very least should avoid an offending insurer being able to resist the payment of claims."

The judge decided that the decision of the Commercial Court last October in the case of the Bedford Insurance Co v Institutio de Resseguros do Brasil was wrong.

Mr Justice Leggatt said that case had caused widespread consternation in world insurance markets. The court had held that, where an insurer conducted unauthorised business in Great Britain, the contracts made were illegal and void. The result was that the offending insurer might keep premiums paid by innocent insureds and yet not be liable to pay claims.

Mr Justice Leggatt was giving judgment on a claim by Mr B. A. Stewart, representing Lloyd's syndicate 173, against its reinsurer, Oriental Fire & Marine Insurance Co. of Seoul, South Korea. Neither Oriental nor its agents in the UK was authorised to carry on insurance business in the UK.

Mr Stewart and Oriental argued that the Bedford decision was wrong. The contrary argument was put by counsel briefed by the Attorney General to assist the court.

Mr Justice Leggatt said that, while it might be argued that rendering insurance contracts illegal might help the conduct of insurance business in the long term, the more immediate effect would be the wholly undesirable one of allowing offending insurers to keep premiums while releasing them from their obligations to pay claims.

Assuming that contracts of insurance were not prohibited, there would be no sufficient justification on grounds of public policy for depriving innocent insured people of the benefit of their contracts, he said. As a matter of commercial practicality, such contracts should not, except of necessity, be rendered unenforceable.

The judge said the fact that a contract had been signed by an insurer outside the UK did not alter the fact that the business was being carried on in the UK.

He said that the essence of Mr Justice Parker's decision in the Bedford case had been that, although the prohibition was on carrying out business in contravention of the 1974 Act, what was aimed at, and prohibited, was both the making and performance of any insurance contract by way of business.

Mr Justice Leggatt did not agree with that view. "I would rather say that what is aimed at, and what is prohibited, is the conduct of insurance business without authorisation."

# Gould managers pay £7m for UK offshoot

BY JASON CRISP

MANAGERS at one of the UK subsidiaries of Gould, the U.S. electronics group, have bought the company from the parent for £7m. Mr Anthony Jannece and Mr Alan Mansfield, the two former Gould managers, now have a controlling interest (51 per cent) in the company, which makes power supplies for computer equipment.

The managers were backed by Advent Technology, the venture capital company, Barclays Industrial Development and the First National Bank of Boston.

The newly independent company, Advanced Power Supplies, had a turnover of £10m last year and employs about 350 people in the UK. In addition, it is taking over the former Gould power supply sales offices in West Germany and the U.S. which had sales of about £3m. Profits are believed to have been small and the £7m represents its net asset value.

Advent and Barclays have invested a total of £2m in the company and hold the remaining equity. First National Bank of Boston has provided a £3m medium-term loan facility. The remaining £2m is accounted for by deferred payments to Gould and investment by the managers.

The deal is another move in Gould's major rationalisation programme including the sale earlier this month of its large U.S. battery operation, the original foundation of the company. Gould now concentrates on six business areas: minicomputers, factory automation, instruments, semiconductors, defence and medical electronics.

A spokesman for Gould said the UK subsidiary did not fit into the new strategic objectives. In addition, it did not meet another criterion of having a prospective compound growth of 25 per cent a year.

Mr Alan Mansfield, managing director of Advanced Power Supplies, said he did expect the company to grow at 25 per cent a year. He believed the company would benefit from the rapid growth in personal computers and visual display units. Competition in Europe includes Farnell and Unitech. But a number of companies also import power supplies from the Far East.

Gould had wanted to sell the subsidiary for a number of months. Last year it sold a sister company to Advanced Power Supplies in San Diego, California, after failing to sell the two power supply companies together. Advanced Power Supplies will continue to sell some of the products developed by the San Diego company.

# Airline sale 'doubts'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THERE IS a strong case for removing controls on domestic UK air fares and increasing competition on internal routes, according to a report from the Civil Aviation Authority (CAA).

The authority is less certain, however, about the merits of handing over parts of British Airways' operations to independent companies, notably British Caledonian.

"It is one thing to gain or lose a route or to face new competition.... It is something else to dismember an airline," the CAA says. These views emerge from a preliminary analysis by the authority of views submitted to it by UK airlines. The study is part of a review of civil aviation policy ordered by the Government.

In the "consulation document" released today the CAA makes no firm recommendations. Its preliminary conclusions have been published to allow the industry to make further comments before it prepares its final proposals later this year.

## AD HOC

BY FEONA McEWAN

RIDING IN a taxi may never be the same again. All black cabs could soon be fitted with a video monitor showing advertisements and general city information, if a new scheme about to be launched in Britain is a success.

The scheme has been devised by Michael and Denise Jacobs of Darlington, who are marketing it in the name of Transport Media GB. The project involves a capital outlay of some £16.5m which they aim to have realised by the beginning of 1986.

Provincial cities will be first for the treatment, which involves fitting a three-inch screen, complete with colour and sound, to the cab bulkhead. Manchester will be first in July; Birmingham, Liverpool and Blackpool will follow soon after. The respective local councils, which license taxis, have already given the go-ahead.

Plans are under way to extend the scheme into major Scottish cities and if the project works in the provincial black cabs, it is hoped to bring it to London where there are another 13,500 vehicles.

So far the reaction of cab owners has been enthusiastic; if they decide to take the video screen, they will be paid a rental fee. Advertising space is being sold by DG Advertising Sales which reports considerable excitement among agencies. "They are tickled pink when they see it," says a spokesman.

The video show will last for about 30 minutes and will run continuously until the cab engine is switched off. If the thought of being a captive audience does not appeal, there is an off switch for dissenting passengers, though the video will automatically switch on each time someone sits on the seat.

Terry Kirk

The black cab video and its progenitor, Michael Jacobs: agencies are "tickled pink"

●

FIGURES just released from the Independent Television Companies Association show that the total net advertisement revenue for the month of March was £77.2m after deduction of agency commissions and all discounts. This is a substantial rise—5.8 per cent—on the equivalent figure for March 1983 when the total topped £72.9m.

●

THE second Advertising Business Systems Show is to be held on Friday June 8 at the Press Centre, Shoe Lane, London EC4. Agencies are reckoned to spend some £4m a year on buying and operating administration systems plus a further £13m on provision of basic research date and analysis. The choice before media owners, planners, buyers and finance directors broadens relentlessly and the show will offer individual advice, demonstrations and information under the one roof. Details from Macfarlane Conferences, 156-162 Oxford Street, London W1 (Tel 01-637 7438).

●

THE volatile young market of video rental has witnessed, in the past 12 months, a swing away from specialist shops towards general retail outlets—tobacconists, newsagents and so on. In an attempt to get more of these to sign up and thus to increase its share of the video film leasing market, now reckoned to be worth some £150m a year, one production company, Entertainment Production Services has taken to advertising on television.

"When you have some 200,000 potential retailers to approach, television seems the obvious answer," says managing director David Cavalier, though direct mail and a salesforce have also been used. This weekend the first in a trial run of eight 10-second ads will be broadcast in the LWT area at a cost, according to Media Audits Analysis, of £120,000.

●

A CALL for unrestricted competition among accountants has been made by one of the profession's leading firms. Competition "ensures that only the best survive and that can *only be good* for the health of the profession," said Don Hanson, managing partner of Arthur Andersen. "Those who step beyond the bounds of good taste will pay whatever price the market exacts. Those who ignore the competition and seek to practise as they have in the past will pay a price for that as well," he said, in anticipation of the rules being relaxed later this year.

He warned that if the profession as a whole ignored the need to be competitive then "surely the Government will act. Opening up the profession to foreign competition would be one way," he said.

He did not expect heavy spending accountants; a total spend of £3m to £4m would be high. This would represent some 0.5 per cent of total fee income of the top 10 UK firms. In the U.S., he said, one firm whose turnover equals that of the top ten UK practices, spends about £700,000 on advertising. Hanson's remarks were made at a seminar on "Advertising and the Professions," organised by trade journals, Campaign and Admap.

●

A COMPLETELY new edition of the "Guide to Advertising Overseas" is now available from the Incorporated Society of British Advertisers. It is aimed at those clients and their agencies which commission advertising outside the UK.

The booklet highlights some of the principal considerations of advertising overseas such as agency selection, contracts, research, legal requirements and translating copy.

It is available from ISBA, 44 *Hertford Street, London, W1*, for £4.

●

COMPLAINTS ABOUT the Imperial Cancer Research Fund's latest advertising campaign which plays on fear in its appeal for donations, have been dismissed by the *Advertising Standards Authority*, the industry watchdog. This action could influence other "fear-based" advertising—used, for instance, by charities and insurance companies in their advertising strategy.

It is believed to be the first time the ASA has seen fit to deliver such a fulsome verdict on the genre and reflects a shift in public opinion of what is, and is not, acceptable.

The campaign message, conceived by agency Wight Collins Rutherford Scott, states that "one person in four will get cancer, unless you do something about it." It depicts a family unit with two children and asks "will it be you . . . your wife . . . your son . . . your daughter?"

Thirteen complaints objected to the approach, which was *deemed to be offensive and* likely to cause distress, and the statistics used were queried.

"We went to a great deal of trouble to take statistical and epidemiological advice," says ASA chairman, Professor Lord McGregor. "We are particularly severe on any ad that breeches the code in its pursuit of funds and pay especial attention to any that play on unreasonable fear."

Which is why the final ASA decision not to uphold the complaints is the more significant. The statistical odds—one in four—were found to be accurate, on the conservative side, even. Cancer is no longer the taboo subject it was 30 years ago and is now a household word. Social climate has changed and the unmentionable is mentionable. "We hope the ruling may offer rough guidelines to other advertisers," says Lord McGregor.

One person in 4 will get cancer.
Unless you do something about it.

# Liverpool blossoms on a tight budget

**Nick Garnett explains how the Garden Festival is being marketed**

"OLIVER'S personality has developed rather late," says Hugo Johnson, marketing manager for the Liverpool International Garden Festival, which opens next month.

The Oliver in question is the chubby "Liver Bird" that is slowly becoming a mascot for the world's biggest horticultural event this year and whose cheeky eyes peer out from much of the festival's promotional literature.

The Liverpool Garden Festival logo which appears on all the promotional literature

The speed of Oliver's emergence mirrors the leisurely pace at which the £20m festival is *seeping into* the *public mind in* contrast to the media glare surrounding the city's head-long tilt towards budgetary crisis.

The apparent lack of awareness about the festival (which runs for more than five months) within large parts of Britain masks the great deal of work put into attracting specific groups like gardening clubs, hundreds of which are already booked to come.

The festival's public profile will have jumped a notch upwards this week with the festival's first television ads. Millions of Londoners are now *familiar with the dancing procession* of odd-ball characters advertising the festival on underground posters.

Even so the size, style and organisation of promotion aimed at attracting 3m visitors and £11.6m revenue has been a contentious issue.

Paul Dicken, promotions coordinator for the English Tourist Board, which is playing a subordinate promotions role (though *it has made gardens its* main theme for tourist promotion in Britain this year) expresses one view.

"We feel that the marketing has been late and started off in a rather muddled fashion but the final result and the amount of effort now being put in is going to meet the festival's needs and contribute greatly to its success."

Some of the principal criticisms are that the £1m marketing budget is far too small, that Merseyside Development Corporation (which is not a marketing-orientated body) did not use more outside help sooner and that promotion has been concentrated in too short a time with *not enough factual* material produced for the public quickly enough. Direct company sponsorship is still short of the £1.5m envisaged in the funding plan, though organisers have secured some big names like General Motors and picked up more indirect sponsorship than they expected.

On the other hand the tourist board, among others, pays tribute to Johnson and to Exhibition Consultants, of which he is a director, and which was brought in last August to coordinate marketing. "They've really pulled it up by the bootstraps," *says* one *promoter*.

The market research produced early on by Clarke, Lee, Nightingale, MDC's Liverpool-based advertising agency, has also been an invaluable tool in identifying the groups to be specifically targeted.

Johnson himself expresses resignation at the size of the direct marketing budget agreed between MDC and the government. "Being realistic, we should have had perhaps £700,000 on top of that," he says. A sign of the cash restrictions is that the TV ads are being shown in just four independent television regions and not in the South-East, though to be fair the main catchment area for the festival will inevitably be *within a 75 mile radius*.

The festival's promotion has had a leg-up from the event's excellent construction record and *the positive response to the* design of the international gardens. But it was never going to be a marketing pushover. With a small staff of eight (excluding that of advertising and public relations agencies) Johnson is marketing a product new to Britain, complex enough *to appeal to many different* groups and in a city with a very negative image.

A great deal of work has been put in—almost 50,000 establishments including 25,000 schools, 2,000 garden clubs affiliated to the Royal Horticultural Society, Women's Institutes and church groups, have received leaflets. Some 40,000 posters have been distributed to coach operators, garden centres and travel agents. Sixteen hundred main post offices will be selling festival tickets and British Rail, National Bus, Belfast Car Ferries, B and I and a handful of hotel chains are offering special travel and overnight breaks.

A particular promotion has also been undertaken to 35,000 U.S. garden clubs and Johnson says 48 jumbo jet flights are being booked up to bring in Americans with green fingers.

Some of the biggest marketing successes have been the securing of free "piggy back" deals with major organisations. These include the sending out of festival material with British Telecom bills, free double page spreads with Barclaycard Magazine and advertising with 12m Littlewoods and Vernons football coupons. One of the biggest coups has been an association with Woolworth which is distributing festival literature. Abbey National Building Society and Barratts, the housebuilder, have also been advertising the festival at exhibitions. In all, 23m homes will receive festival literature in one form or another.

Dicken believes the lack of TV advertising in some areas will not materially affect the festival. It has already had the benefit of coverage on BBC's Blue Peter children's programme and Granada television, which will be broadcasting regularly from the festival from an outside studio, has been very supportive.

*Johnson, says the media's recent interest in the politics and* finances of Liverpool City Council has benefited the festival by keeping the city in the public eye.

Some tourist board officials think the target for visitors is over-optimistic and the festival will do well if it attracts up to 2m visitors. Festival organisers, however, seem confident that more than 3m will be *coming through the gates.*



هكذا من الأصل



# APPOINTMENTS

## Managing director at Acrow company

Acrow has appointed Mr Colin Stapleton as managing director of ACROW (ENGINEERS) the group's concrete formwork and falsework subsidiary. Mr Stapleton was previously chief executive of British Ever Ready.

★

Ms Susan Brunner has been appointed to the board of TECHNICAL TRANSLATION INTERNATIONAL.

★

FOREIGN & COLONIAL MANAGEMENT has appointed Mr Oliver Dawson its chairman. He succeeds Mr Derek Baer, who will remain on the board. Mr Dawson was senior partner of Buckmaster & Moore before joining F. & C. Management in 1981.

★

Mr J. R. Charman (general manager and marine underwriter) and Mr T. J. Newson (assistant general manager and non-marine underwriter) have been appointed directors of THE SCOTTISH LION INSURANCE CO.

★

Mr Bill Parsons has been seconded from Security Life of Denver (one of the Nationwide Nederlanden Group's U.S. companies) to manage the day to day operations of MERCHANT INVESTORS ASSURANCE. Mr Parsons was executive vice-president of marketing for Security Life.

★

Mr J. H. Heatley has been appointed chief executive of GREENWELL GIC, an international dealing company formed by W. Greenwell and Co. and Gencor Investment Corporation.

★

Mr Richard Lake has joined the partnership of RAPHAEL, ZORN stockbrokers.

★

TOUCHE ROSS AND CO has admitted the following new partners. They are: Mr Stuart W. Barnett (London), Mr Peter H. Beamish (Jersey), Mr Gilmour B. Black (Cardiff), Mr George W. E. D. Earle (London), Mr Robert C. H. Jeens (London), Mr Andrew J. Kilsby (Newport), Mr Stuart R. Lindsay (Cardiff), Mr Peter C. Marsden (Manchester), Mr Roderick J. Moonie (Manchester), Mr Michael J. F. Moran (Dartford), Mr Clive D. Stanford (London), Mr Kenneth Wild (London) and Mr J. Daryl Wyer (London).

★

Mr W. R. White-Cooper has been appointed managing director of SEDGWICK UK, the company within the Sedgwick Group responsible for the insurance needs of clients in industry, commerce and the professions within the U.K. He was an executive director with the PFV Group in South Africa, an associated company of the Sedgwick Group.

★

CARLESS, CAPEL AND LEONARD has appointed Mr Jack Barton and Dr Eric Bosshard to the board. Mr Barton is president of Carless Resources Inc., the U.S. subsidiary, and Dr Bosshard is managing director of Carless Exploration.

★

Mr Peter Bertram has joined the board of COMMERCIAL AND INDUSTRIAL SECURITIES. He is also a director of Wholesale Vehicle Finance and WVF Commercial (both subsidiaries of the National Enterprise Board).

★

MORGAN LOVELL has appointed Mr David Kingsbury contracts director. He joins the company from Ashby and Horner.

★

Mr Alan Macmillan has been appointed to the board of MACDONALD GREENLEES. He joined the company at the end of 1977 as export area manager for Benelux, Eastern Europe, Africa, Middle East, South Asia and Australasia.

★

Mr Jack McDowall, the Bank of England agent in Bristol, is expected to become chairman of the HORSTMANN GEAR GROUP when Mr Bevan Horstmann retires later this year. Mr McDowall, who retires in May from the Bank of England, will join the Hortsmann board after a short break. He is expected to be appointed to succeed Mr Horstmann prior to the annual meeting in September.

# CONTRACTS

## Gas turbines for the North Sea

ASEA STAL (formerly (STAL-LAVAL) has won an order for three gas turbine generating sets for the Ula Field development project in the North Sea. The order has been issued by Ula Engineering Consortium on behalf of BP Petroleum Development Norway (U/A) and is worth about £11.6m (SKr 130m). The gas-turbine generators will be be used for the main power generation in the Ula Field, situated some 280 km south-west of Stavanger, and will serve the drilling, production and living-quarters platform. The turbine modules will e be installed on top of the utility module adjacent to the accommodation module. This requires special acoustic properties and the package is designed not to exceed a level of 77 dB(A) at one metre from the module in any direction.

★

J. M. JONES & SONS has been awarded contracts totalling over £7m. The largest, worth £4.8m, is for a two-storey hi-tech building at Farnborough for Thorn EMI. Work bas started for completion next February. Beacontree Estates has awarded a £1.02m contract for an office and warehouse blocks at Basingstoke Road, Reading, for completion in October. Barjae Developments has placed £890,450 of work for the refurbishment of Granville Chambers, Richmond Hill, Bournemouth, and, finally, JMJ will carry out alterations and additions to Halifax Building Society premises in High Wycombe High Street, for £329,708.

★

WIMPEY CONSTRUCTION UK has a batch of contracts worth just under £4m. A £1.25m contract has been pleced with the Cardiff office by Aeroquip (UK) for a factory and offices in Llanishen, Cardiff. The single-storey design factory will measure 102 metres by 64 metres and will be attached to a two-storey office block measuring 64 metres by 8 metres. Work includes car parking space, paving areas, access roads and drainage and has just started for completion in November.

The Bristol office starts work this month on stages one and two of Bristol Polytechnic's engineering department under a £1.7m contract placed by the County Council of Avon. Stage one comprises a two-storey building of 1,977 sq metres and stage two e similar building of 2,205 sq metres. Completion is due in August 1985.

The Middlesbrough office has been awarded two housing contracts in Stockton and Langbaurgh. The first, awarded by Langbaurgh Borough Council and valued at almost £700,000, is for the construction of 42 bouses. On completion the houses are to be sold by the council on a shared equity basis. Work has started for completion in September. The second contract, worth £250,000, bas been awarded by Stockton Borough Council for alterations and improvements to a further 52 houses on the Ragworth Estate, Stockton.

★

Building contractor, E. G. CARTER & COMPANY has won the £1m contract for phase four of the Ashchurch Industrial Estate, Tewkesbury. Work on seven factory units of 58,000 sq ft for Ashville Investments, Wimbledon, will begin in April. The project is due for completion within ten months. Phase four is the development of a further 10 acre on the Ashchurch Industrial Estate, total size 22 acres.

★

## GLC places £3.5m school bus order

An order for school buses has been placed by the Greater London Council supplies department with LEYLAND TRUCKS and WADHAM STRINGER COACHBUILDERS of Waterlooville. The order, worth over £3.5m covers 134 Leyland Cub chassis fitted with Vanguard bodies built by Wadham Stringer. The buses, to be operated by the Inner London Education Authority, will be delivered over the year and will replace existing vehicles. Sixty-five of the buses will be 23-seaters purpose-built to accommodate wheelchair passengers.

★

Contracts worth a total of £8m have been won by UNIT CONSTRUCTION in Merseyside, Scotland and Yorkshire. On Merseyside, £2.3m is to be spent on three building schemes. The largest, worth £1.175m, is to modernise 124 homes in Wimborne Road, Huyton, for Knowsley Metropolitan Borough Council, for whom Unit also has a £125,000 contract to partially modernise a further 39 homes at the same location. The third scheme, for Merseyside Improved Houses, involves the erection of 36 single-storey bungalows/two-storey bouses and communal warden's accommodation in Quarryside Drive, Kirkby. Contract value is over £1m.

Two contracts have been won in Yorkshire. The first, for Leeds City Council, worth over £200,000. It covers the third phase of an enveloping scheme at Gathorne Terrace, Leeds. The second, for Sheffield Metropolitan District Council, worth £950,000, is for repairs to 151 bouses and improvements to 96 of these at Parson Cross, Galsworth.

But the bulk of the contracts, £4.7m, are in Scotland. The construction of a DHSS office block for the DoE Property Services Agency in Wellfield Street, Springburn, Glasgow, is valued at £2.7m, and entails the erection of a three-storey (facing brick clad) steel-framed office building with external works and drainage. Four other projects are also to be undertaken in Scotland. The largest, for the Hanover (Scotland) Housing Association, is the erection of a sheltered housing development at Logie Road, Causewayhead, for £740,000.

★

A £4.9m contract for the first phase of the redevelopment of the Friarage Hospital, Northallerton, has been placed with TAYLOR WOODROW CONSTRUCTION (NORTHERN) by the Yorkshire Regional Health Authority. The first phase will include wards with 140 beds, accident and emergency departments, four X-ray suites, a maternity unit including a special baby care unit and an outpatients' department. The 7,900 sq metres development will consist of two three-storey ward blocks of cruciform (cross-shaped) design, linked by a building with a combination of one, four and five storeys. Work is scheduled for completion in January 1987.

# THE ARTS

## Arts Week

| F | S | Su | M | Tu | W | Th |
|---|---|---|---|---|---|---|
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |

## Music

### VIENNA

**Vienna Symphony Orchestra**, conducted by Heinz Wallberg. Schubert, Mozart, Brahms, Strauss, at the Musikverein Brahms Saal (Mon). (658190)

**Lieder Evening:** John Shirley-Quirk, Sara Watkins, Martin Isepp, piano. Busoni, Poulenc, Britten, Trubitt. Konzerthaus, Mozart Saal (Tue). (721211)

### LONDON

**St George's Day** concert with BBC Concert Orchestra and Leicester Philharmonic Choir conducted by Ashley Lawrence. Programme of English music. Royal Festival Hall (Mon). (928 3191)

**Royal Philharmonic Orchestra** conducted by Norman del Mar with Philip Fowke, piano. Tchaikovsky, Rachmaninov, Elgar and Ravel. Barbican Hall (Mon). (638 8891)

**London Symphony Orchestra** conducted by Claudio Abbado with Maurizio Pollini. Beethoven. Royal Festival Hall (Tue)

**Kyojim Mori**, cello and Yasuko Katayama, piano. Beethoven, Schumann, Cassado and Dohnanyi. Purcell Room (Tue). (928 3191)

**Royal Philharmonic Orchestra** conducted by Yehudi Menuhin with Claire McFarlane, violin. Beethoven, Vaughan Williams and Sibelius. Barbican Hall (Tue)

**London Mozart Players** conducted by Harry Blech with Tomotada Soh, violin and Ifor James, horn. Haydn, Schumann, Weber and Dvorak. Royal Festival Hall (Wed)

**London Symphony Orchestra:** Ballet music introduced and conducted by Antony Hopkins with Marguerite Porter, soloist of the Royal Ballet. Barbican Hall (Wed)

**Philharmonia Orchestra** conducted by Nicholas Cleobury with Paul Coker, piano. Nicolai, Bizet, Grieg and Tchaikovsky. Barbican Hall (Thur)

**English Chamber Orchestra** conducted by George Malcolm, harpsichord with José-Luis Garcia, violin and William Bennett, flute. Bach. Queen Elizabeth Hall (Thur). (928 3191)

### PARIS

**Ensemble Vetera et Nova** conducted by M. Sanvoisin: Lully-Motets for three women's voices and instruments (6.30 pm and 9 pm Tue), Billettes Church, 24 Rue des Archives, Metro Hotel de Ville.

**Musique Suisse de Femmes Compositeurs.** International Chamber soloists: Kazandjian, Peyrot, Roesgen-Champion, Zimmermann (Tue, Wed) Salle Gaveau. (563 2030)

**Ircam** – Ensemble Intercontemporain conducted by Gianluigi Gelmetti: Castiglioni, Donatoni, Ferrero, Stravinsky (Thur). Théâtre du Rond-Point. (256 7080)

**Chamber Music** – Deller Consort conducted by Mark Deller: Europe's 1500-1700 courtly music, madrigals, songs, theatrical arias (Thur). Radio France, Grand Auditorium (524 1516)

### WASHINGTON

***National Symphony*** (Concert Hall): Andrew Davis conducting, Elmar Oliveira, violin, Vaughan Williams, Mozart, Schumann (Tue, Weds mat. Thur). Kennedy Center (254 3776)

### NEW YORK

**New York Philharmonic** (Avery Fisher Hall): An elbow operation has sidelined Zubin Mehta for six weeks. Conductors to be announced for regularly scheduled programmes. All-Brahms programme with Marvis Martin, soprano; Thomas Allen, baritone; Westminster Choir directed by Joseph Flummerfelt (Tue); All-Brahms programme with Isaac Stern, violin (Thur). Lincoln Center. (874 2424)

**Carnegie Hall:** National Orchestra of New York, Alvaro Cassuto conducting, Abbey Simon piano. Liszt, Rachmaninov (Tue); Boston Symphony, Seiji Ozawa conducting: Ivo Pogorelich, piano. Tchaikovsky, Shostakovich (Wed, Thur). (247 7459)

**Merkin Hall** (Goodman House): Charles Libove violin and Nina Lugovoy piano recital. Britten, Beethoven, Mozart, Poulenc (Tue); Tremont String Quartet, R.M. Schafter, J. Willey, B. Johnston, Marc-Antonio Consoli (Wed); Victoria Vesell, piano, 18th & 20th century keyboard music (Thur). 67th W. of Broadway (362 8719)

### ZURICH

**Tonhalle:** Tonhalle Orchestra conducted by Raeto Tschupp. Beethoven's Missa Solemnis (Thur). (221 2283)

### Salzburg Easter Festival

**This festival, founded in 1967 by Herbert von Karajan, has become an annual event of international appeal. Karajan, with the Berlin Philharmonic, perform several concerts including a Wagner opera at Salzburg's large festival hall. The programme this year includes Beethoven's ninth symphony (choral) (Friday April 20). Mozart's concerto for two pianos and *Tchaikovsky's sixth symphony* (Saturday April 21). Brahms' double concerto and R. Strauss' Also Sprach Zarathustra (Sunday April 22), and Wagner's Lohengrin (April 23). Karajan returns to Salzburg for the annual Whitsuntide concerts on June 9, 10 and 11. Details and bookings from Salzburg Festspielhaus, 0662-42541.**

**Patrick Blum**

## Opera and Ballet

### PARIS

**Massenet's Werther** conducted by Georges Pretre in Florence's Teatro Communale production, with a superbly sung title role by Alfredo Kraus, admirably partnered by Lucia Valentini-Terrani as Charlotte, Gino Quilico as Albert and Christine Barbaux/Marie-Christine Porta as Sophie; alternates with Mussorgsky's Boris Godunov, conducted by James Conlon, with Nicolai Ghiaurov in the title role, Martin Mabe as Fiodor and Marie-Christine Porta as Xenia, at the Paris Opera. (742 5750).

**Bill T. Jones – Arnie Zane and Company**, the next wave of American modern dancing at the Théâtre de la Ville. (274 2277).

**Serapion's Theater:** Double and Paradise – an unexpected Austrian spectacle full of imagination at the Théâtre de Paris (280 0930).

**Mahagonny** – Kurt Weill and Bertolt Brecht's one-hour opera at 6.30 pm at the TMP-Châtelet. (233 4444)

**Paris Operas Ballet Stars** Rudolf Nureyev, Patrick Dupond and Claude de Vulpian and ballet corps at the Théâtre des Champs Élysées. (723 4777).

### LONDON

**Royal Opera**, Covent Garden: Cosi fan tutte returns with a cast entirely new to the house, and very interestingly chosen – Elizabeth Connell, Ann Murray, Lillian Watson, Francisco Araiza, Benjamin Luxon, Rolando Paneral, and pianist Christoph Eschenbach in his British opera-conducting debut. (240 1066)

**English National Opera**, Coliseum: Verdi's Sicilian Vaspers, a Parisian product of his middle years and until recently one of his most unjustly neglected works, joins the ENO repertory in a production (borrowed from Paris) by John Dexter and conducted by Mark Elder; the cast is at the house's full strength – Rosalind Plowright, Kenneth Collins, Neil Howlett, Richard Van Allan. The Rosenkavalier is notable for one of the most striking female trios in the production's nine-year lifespan – Josephine Barstow, Anne Dawson, Sally Burgess – a distinction of casting sufficient to outweigh the weaknesses of conducting (Friedrich Pleyer) and ensemble also in evidence. (836 3161)

**Royal Opera House**, Covent Garden: The Royal Ballet alternates Romeo and Juliet with a triple bill. (240 1066)

### WEST GERMANY

**Berlin Deutsche Oper:** A new production of Pelleas und Melisande produced by Götz Friedrich has Karen Armstrong and Ryland Davies in the leading roles. Lohengrin and Der Fliegende Holländer are also offered this week. The latter has Donald McIntyre in the title role. Don Pasquale has been highly acclaimed with Karin Ott and Barry McDaniel. (34381)

**Hamburg, Staatsoper:** Der Troubadour highlights the week with Leo Nucci and Jelena Obrazowa. Der Barbier von Sevilla has Alicia NaFé as Rosina and Richard Curtin as Basilio. Die Meistersinger von Nürnberg is produced by the controversial Herbert Wernicke, and has Wagner specialists Hans Sotin, Halrad Stamm and Robert Schunk. (351151)

**Cologne Opera:** Parsifal, traditionally presented on Good Friday is ideally cast with Siegfried Jerusalem in the title role, Karl Ridderbusch as Gurnemanz and Eva Randova as Kundry. Werther returns with Kathleen Kuhlmann and Juan Lloveras. Cosi fan tutte has fine interpretations by Delores Ziegler and Otto Nicolai. Fidelio is steered to triumph by Katarina Ligendza as Leonore and Martti Salminen as Rocco. (20761)

### Aida in Paris

**A grandiose performance of Aida takes place at the Palais Omnisports de Paris Bercy, the world's largest stage, where the 700 participants can be seen by 13,500 spectators at each of the 16 representations with Martina Arroyo, Grace Bumbry, Seta del Grande, Ghena Dimitrova and Wilhelmina Fernandez. Michel Plasson conducts the 165 musicians and 200-strong chorus, while Vittorio Rossi adds his prestigious name to the production. The first performance is on Thursday. Bookings: 346 1221. Information: 342 0404.**

**Magda Hamsher**

**Frankfurt, Opera:** Parsifal has Walter Raffeiner in the title role. Nelly Miricioiu does justice to the title role in Manon Lescaut. Madame Butterfly is conducted by the talented young American Judith Somogi. Ferrucio Busoni's rarely-played Doktor Faust rounds off the week. (25621)

**Stuttgart, Württembergisches Staatstheater:** The highly acclaimed production of Mauricio Kagel's Die Erschöpfung der Welt will be given for the last time this month. Also on offer is Zar und Zimmermann with Helmut Berga-Tuna. (20321)

### ITALY

**Milan:** Teatro alla Scala: Verdi's I Lombardi alla prima crociata conducted by Gainandrea Gavazzeni and directed by Gabriele Lavia; La Strada, choreography by Mario Pistoni and Music by Nino Rota, with Carla Fracci. (809126)

**Turin:** Teatro Regio: Donizetti's L'Ajo nell'imbarazzo with Luciana Serra and Alessandro Corbelli. (548000)

**Parma:** Teatro Regio: Fidelio. (21201)

### NEW YORK

**American Ballet Theatre** (Metropolitan Opera House): The eight-week spring season starts with a gala premiere of Mikhail Baryshnikov's Cinderella, choreographed by Baryshnikov and Peter Anastos. Other premieres include works by Twyla Tharp and Martine van Hamel. Natalia Makarova's new staging of Paquita and company premiere of Sir Kenneth MacMillan's Triad. Company favourites in the repertory include Swan Lake and last year's premiere, August Bournonville's La Sylphide. Lincoln Center. (580 9830).

### WASHINGTON

**Metropolitan Opera** (Opera House): Lthe hundredth annual spring tour starts with a fortnight's programme of seven operas, including Francesca da Rimini conducted by James Levine with Renata Scotto and Placido Domingo; Rinaldo, conducted by Mario Bernardi with Marilyn Horne; Thomas Fulton conducting Ernani with Ermanno Mauro in the title role and Jon Vickers in the title role of Peter Grimes conducted by David Atherton. Kennedy Center. (254 3770).

## Theatre

### TOKYO

**Cats** (Cats Theatre). The specially built tent theatre, excellent set, good dancing and Kabuki-originated movement all make the Japanese version worth seeing. Shiki company, directed by Keita Asari. (320 1001).

**Kabuki:** Mumazu, Sonezaki Shinju or Double Suicide at Sonezaki (Kabuki-za). One of Chikmatsu's most famous plays based on a true incident. English programme details, simultaneous earphone commentary. (541 3131).

**Kabuki:** Go-hiki Tsunagi Uma, or Pulling the Tethered Horse (Meiji-za). This production is reputed to have cost Y10m ($44,000) and tells the story of a man who disguises himself as various warriors, and a spider in order to avenge his father's death. (667 5151).

### LONDON

**Starlight Express** (Apollo Victoria): Andrew Lloyd Webber's new musical is a roller rink spectacular with obvious debts to Spielberg, Disney, Star Wars, Dolly Parton and Cats. Trevor Nunn's production is for children of most ages, with the human rock and rolling stock trains racing around the transformed theatre like body-popping ethereal robots. Designs by John Napier, lighting by David Hersey. (834 6184).

**Guys and Dolls** (Olivier): Richard Eyre's fine production returns to the National Theatre for a few summer months before possibly moving into the West End. The new principals include Andrew C. Wadsworth as Sky Masterson. The revival has been rushed back as the unlamented Jean Seberg was rocking the boat. (928 2252).

**Benefactors** (Vaudeville): Disappointing new Michael Freyn play about two interlocked married couples whose design for living is threatened by the high rise developments in early 1970s London. Outstanding performance by Brenda Blethyn as a discouraged housewife. Michael Blakemore directs. (836 5645).

**Strange Interlude** (Duke of York's): Glenda Jackson leads a revival of Eugene O'Neill's five-hour Pulitzer prize-winning Freudian drama. The play – first and last seen in London in 1931 – blends interior monologue with powerful scenes of insanity, retribution and despair. Keith Hack directs, cast includes Edward Petherbridge, James Hazeldine, Brian Cox. (836 5122).

**Passion Play** (Wyndham's): Deserved revival of Peter Nichols's experimental menopausal comedy, with Barry Foster, Leslie Phillips, Zena Walker and Judy Parfitt. (836 3028).

**Loot** (Ambassadors): Leonard Rossiter is a wonderful Truscott in Jonathan Lynn's enjoyable revival of Joe Orton's farce in which a leading role is played by a mummified corpse. The versatile Gemma Craven plays the Irish nurse who is open to offers and party to crime. (836 1171).

**The Aspern Papers** (Haymarket): Vanessa Redgrave and Wendy Hiller give superb performances in Michael Redgrave's 1959 version of Henry James's story. The inquisitive scholar who descends on their Venetian palazzo is played, ponderously, by Christopher Reeve. (930 9832).

**A Streetcar Named Desire** (Mermaid): Sheila Gish gives the performance of her life as Blanche Dubois in Alan Strachan's excellent revival, first seen last year at Greenwich. Tennessee Williams's emotional rollercoaster of a play amounts to one of the best evenings in town. (930 6123).

**Little Shop of Horrors** (Comedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm, a full-blown performance from Ellen Greene and an exotically expanding man-eating prickly plant. (930 2578).

**Pack of Lies** (Lyric): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (437 3686).

**The Real Thing** (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (836 2660/4143).

**Daisy Pulls It Off** (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

**Noises Off** (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

**Saint Joan** (Olivier): Staid and stolid National Theatre revival of a play that is finding it increasingly hard to live up to the tag of Shaw's masterpiece. Frances de la Tour is sincere and unrhetorical to a fault as the maid, and Ronald Eyre's direction includes medieval pageant, some striking music by Ilona Sekacz and, alas, a disastrous deputy inquisitor from Cyril Cusack. (928 2252).

### NEW YORK

**Cats** (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

**La Cage aux Folles** (Palace): Perhaps this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatrical year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Gaîté Parisienne, but the intimate moments borrowed direct: An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

**42nd Street** (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the apropriately brash and leggy hoofing by a large chorus line. (977 9020).

**Torch Song Trilogy** (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450).

**Dreamgirls** (Imperial): Michael Bennett's latest musical has now become a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without the quality of their music. (239 6200).

**Nine** (46th St): Two dozen women surround Sergio Franchi in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246).

**On Your Toes** (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370).

### CHICAGO

**E. R.** (Forum): Moving into its second year parodying melodrama in a hospital setting, this emergency room continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000).

### WASHINGTON

**Beyond Therapy** (Kreeger): Christopher Durang's romantic comedy has all the elements of modern singles life including meeting through the personals column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (488 3300).

## Exhibitions

### LONDON

**ICA:** William Morris Today – a documentary for the 150th anniversary of the sage's birth, celebrating his ideas and principles rather than his practical work in the arts and crafts. Morris was a romantic and visionary, one of the most important of British theorists of early, idealised Socialism; and if his vision has manifestly failed to be realised, it remains nevertheless in so many respects admirable and always honourable. He was a designer of genius, though a poor painter and indifferent poet – and in the longest run it is as a designer that his work will stand. Ends April 29.

### PARIS

**Pierre Bonnard:** an important retrospective of the painter whose canvases filled with colour and light glorify the beauty of the human body as he painted time and again Marthe, his wife, at her toilet, in her bath. His Mediterranean landscapes radiate the same joyous love of nature. Centre Georges Pompidou (278 7995). Closed Tue. Ends May 21.

**Art and Sport:** 300 paintings, sculptures, drawing and photographs including Toulouse-Lautrec, Picasso, Magritte, Leger, Delaunay, Hockney. Palais des Beaux Arts. Ends June 3.

### VIENNA

**Out Of Steppe and Oasis:** A colourful exhibition of treasures from the high desert plateaus of Turkestan, the heartland of Central Asia, stretching from China to the Caspian Sea, many brought back by 19th-century Viennese travellers. A display of artistic skill applied to household articles and clothing, carpets, saddlebags and especially jewelry, that a nomadic people could carry with them on their camels. Museum of Ethnology (Völkerkundemuseum). Until April 30.

### WEST GERMANY

**Munich, Haus der Kunst**, 1 Prinzregentenstrasse: Munich is the first venue of a Max Beckmann retrospective, comprising 300 oil paintings, drawings, watercolours and graphics by the German Expressionist. Ends April 22.

### BRUSSELS

**Treasures for the Table:** Gold and silverware, porcelain and glass from Vienna, Paris and Brussels, including part of the solid gold service made for the Empress Maria Theresa and Louis XV's Sèvres service offered to her to commemorate the Franco-Austrian alliance. Credit Communal Passage 44 until June.

### ITALY

**Rome:** Accademia di Francia (Villa Medici): In 1884 Claude Debussy won the coveted Prix de Rome, which allowed artists and musicians to study in Rome for two years. He said ungratefully: "Rome is a really ugly city, full of marble, fleas and boredom". He described his room in the entrancing Villa Medici as an "etruscan tomb". The city, forgivingly, celebrates the centenary of his stay with an exhibition, Debussy and Symbolism. His symphonic poem, La Mer, was composed while staying at Fiumicino near Rome. Ends June 3.

**Milan:** La Rotonda. Delightful exhibition of over 1,500 toys dating from 1750 to 1960. Until June.

### NETHERLANDS

**Hans Koper:** An exhibition of the ceramics of this Dutch artist and craftsman, who died in 1981, can be seen at the Museum Boymans van Beuningen, Rotterdam, until May 20. Koper was well known in England, and the display is arranged in co-operation with the British Council and the Sainsbury Centre for the Visual Arts in Norwich.

### WASHINGTON

**German Expressionist Sculpture** (Hirshhorn): This is the first comprehensive look at works in plaster, bronze, wood and porcelain from the first two decades of this century in Germany. Included in the show of 33 artists and 120 sculptures are Max Beckmann, Emil Nolde, Wilhelm Lehmbruck and Ernst Barlach. Ends June 17.

### NEW YORK

**Picasso:** The Last Years (Guggenheim): A show of one per cent of Picasso's last decade of work still has 200 pieces in it, showing a restless spirit trying to capture the last personal vision by dint of sheer energy working at a furious pace. Ends May 6.

### TOKYO

**Gandhara Art of Pakistan.** Seibu Museum of Art displays 140 of the most important works from major museums in Pakistan, including Buddhist sculpture, metalwork and daily objects. Ends May 6.

**German Expressionist Painting.** Kamakura Museum of Modern Art. Part of the Buchheim Collection currently on tour includes works by 20th century German artists Karl Schmidt-Rottluff, Otto Müller, Max Beckmann, Otto Dix, Lionel Feininger. Ends May 6.

# THE ARTS

Record review

**David Murray**

## Janowski's distinguished 'Ring' completed

**Wagner: Siegfried. René Kollo, Jeannine Altmeyer, Theo Adam, Peter Schreier, Siegmund Nimsgern, Matti Salminen, Ortrun Wenkel, Norma Sharp. Marek Janowski/Staatskapelle Dresden. Eurodisc 301 810-465 (5 records).**

**———: Götterdammerung. Kollo, Altmeyer, Salminen, Hans Günter Nöcker, Sharp, Nimsgern, Wenkel et al. Janowski/Staatskapelle Dresden. Eurodisc 301 817-468 (6 records).**

When Eurodisc began to release Wagner's *Der Ring des Nibelungen* about two years ago, with Marek Janowski conducting the superb Staatskapelle Dresden, I said that it promised to be an "ideal recorded performance of a masterwork." Not a matter of unforeseen revelations, which may be too special to live with and are better found in live performance; rather, a full and faithful representation of the score, respectful of a sound Wagnerian tradition, well and sometimes memorably cast, and sumptuously recorded. The new *Siegfried* and *Götterdämmerung* maintain the standard: this is a most distinguished *Ring*.

In *Das Rheingold* I admired Janowski's insistence on symphonic cogency, even at some little cost to histrionic moments; in *Die Walküre*, strong and beautiful singing in the lead roles — particularly by Jessye Norman, Siegfried Jerusalem and Jeannine Altmeyer — matched the rich orchestral canvas. There are further instrumental marvels in the last two *Ring* segments (the Dresden horns are superlative), and notable singers, but the most impressive things are the dramatic confrontations, often gripping and immediate — even pugnacious — beyond any other recorded performances.

Between Mime (Peter Schreier with an uninhibited snarl) and Siegfried, for example, there is baleful tension, and Mime's "duet" with Alberich (the excellent Siegmund Nimsgern) is brilliantly vicious. Hagen's vassals aren't just as sonorous male chorus, but a cheerfully dangerous gang of roughs. Wotan's last meeting with mother Erda, which can seem a matter of stately hooting by senior citizens, is impassioned and urgent—and oddly moving, with a note of Pyrrhic triumph. In *Götterdämmerung* the counter-oaths at spearpoint are a bit wild, but exciting. All these scenes, and many others, fairly spring at you.

As before, Janowski's tempi are generally muscular and swift — disconcertingly swift, perhaps, for Furtwängler and Goodall devotees, but consistent in their own terms. *Siegfried*, the "scherzo" of the cycle, benefits greatly: as scherzos go it is an enormously long one, and Janowski's energetic drive is all gain. (He sacrifices none of the charms of the forest music, nor the tenderness of the final duet.) *Götterdämmerung* loses something in breadth—one feels too little fateful tread in the music of the norns, good as they are, and the last pages of the score do not set a towering FINIS to the action; scene by scene, however, the dramatic life of the opera is irreproachably vivid.

René Kollo's Siegfried has the cardinal advantage of youth in addition to keen dramatic sense. There have been Siegfrieds who strike musical gold more often in key phrases, but few with Kollo's fresh, disarming eagerness. That brightens *Siegfried* immeasurably, though it doesn't lend him full tragic weight at his murder. There is always something frail and vulnerable in Miss Altmeyer's Brünnhilde, despite her fine passion in *Götterdämmerung*; her challenge to the hero in *Siegfried*—"Aren't you afraid of this wild woman?"—sounds like wishful thinking. It is an affecting performance, committed and extremely sensitive. Theo Adam's Wotan conveys sufficient authority (with bursts of surprising power) to compensate for his initial disheartening wobble.

Matti Salminen completes his impeccably grim portrayal of Fafner with *Siegfried*, and proceeds to offer a magnificent Hagen. For once it is Hagen who is (monstrously) smooth and suave—though he makes a point of bellowing like a bull when summoning his vassals—and poor Gunther who is (genuinely) rough, simple and honest. In that role Hans Günter Nöcker is, in his way, a model, gruffly poignant when pole-axed by events. Ortrun Wenkel's Erda is sombre, gravely intense, well sustained; Lucia Popp leads a clever and seductive trio of Rhinemaidens, mischievously volatile beyond the norm. Norma Sharp makes a simple, touching Gutrune, and an efficient Woodbird.

Collectors of definitive individual performances will be chiefly struck, then, by Hagen's Watch (and his Act 2 duet with Alberich) — magisterial stuff, though there are certainly penetrating moments when Kollo and Miss Altmeyer are at their best. Schreier's Mime is strikingly horrid, but I cling to the belief, which I suspect was Wagner's assumption too, that a comparable effect can be made without such extra-musical malevolence. It is Janowski who holds together all those parts, from goodish to inspired, and displays the Wagnerian whole so splendidly. I haven't insisted enough upon the glories of the orchestral playing: it is often radiant, and reveals new musical sense in neglected places.

This reading does such honour to the conservative Wagner tradition, and to the demands of story-telling, that one wonders whether Peter Hall's announced aims with his Bayreuth *Ring* mightn't have been best served by Janowski as conductor. His toughness and directness are exemplary, though they don't exhaust Wagner's possibilities; he is musically scrupulous, and forces nothing. It would be a tonic to have him visit the Royal Opera: have they thought about him for a future *Ring*?

## Eight Decades/Elizabeth Hall

**Dominic Gill**

Pressure of space permits comment only on the new work of Tuesday night's London Sinfonietta concert conducted by Lothar Zagrosek—a programme in the BBC and LOCB's continuing "Music of Eight Decades" series of exceptional richness and variety, excellently performed, which included Stockhausen's early *Kontra-Punkte*, two groups of instrumental song settings by Dallapiccola, and a vivid account of Berio's *Circles* sung by Linda Hirst.

The three movements of Dominic Muldowney's new saxophone concerto, written for the saxophonist John Harle and commissioned by the Sinfonietta, play without a break and last together about 20 minutes. The manner is more that of a concerto for ensemble: the soloist blends rather than contrasts, adds colour rather than argues or proposes. The writing throughout is busily virtuoso: a shimmering amalgam of big-band, cocktail-band, Delius, Stravinsky, Kurt Weill, and almost any film-score by Michel Legrand. It is lightweight, very cleverly written, and great fun: not in the least cheap, nor in the least deep either. The finale, subtitled "Danse macabre," is a medley of dance music cut together like a dizzy chain of tape-splices. I could listen, in any case, to John Harle playing almost anything for hours.

## Mr Gillie/Edinburgh

**Martin Hoyle**

The national character that produced both John Knox and the Gilt Gesso and eggshell blue of the King's Theatre, with its froth of trumpeting putti, ran true to form with James Bridie, like most Scots resignedly aware of the devil but riotously disposed to enjoy his proverbially superior tunes.

Gillie is the schoolmaster in a Scottish mining village. His near-religious respect for art encourages his pupils to sing, write or act — disastrously, since they end up as pedlars or "in the chapel choirs at Wormwood Scrubs." When his advice for once bears fruit, and a collier's son with literary gifts make good as a show-business journalist and spiv, Gillie is horrified.

Bridie emerges as a writer of funny, fluent dialogue, the effortless creator of a small community's cross-currents — smug, sincere, sanctimonious or sympathetic.

A celestial judge and procurator assess the late Gillie's chance of immortality. Tom Fleming's promising student who never grew up, a splendid mixture of sardonic insight, adolescent idealism and middle-aged iconoclasm, is on the brink of limbo. He is beautifully supported by Anna Kristen, a long-suffering and warm-hearted wife; and balanced by the cantankerous querulousness of John Grieve's bibulous GP, dissolving into alcoholic tears of self-pitying martyrdom.

Bridie died in 1952: the statutory post-mortem unfashionableness is ending and the Scottish Theatre Company's touring production might be welcomed as warmly in London as Glasgow or Aberdeen. Far from being a Shavian debate this play is a kindly, humanistic comedy.

The schoolmaster gains immortality for having spent his life "opening cages." He is not to blame if the cat promptly caught the newly freed prisoner. "The few minutes between the door of the cage and the jaws of the cat make life worthwhile," observes the judge benevolently.

Bridie's awareness of the destructivenes of good intentions and a native earthiness prevent whimsy. In Joan Knight's production on Humphrey Jaeger's lovely naturalistic set—faded rose wallpaper covered with framed photographs, piles of frayed books—the cast play as to the manner born, which of course they are. A London public that hails TV sit-com dialogue in West Indian accents or the artificial anglicisation of noisy Neapolitan theatricality should look to Britain's own folksy drama first.

**"After Vermeer" by Linda Schwab (detail above) is one of 125 paintings on show at the Barbican exhibition "Art in the City," which opens today. The painting usually hangs in the offices of Unilever UK Central Resources, one of 36 companies which were persuaded to lend part of their art collections for the exhibition. Among the companies with paintings on show are oil groups and diamond merchants, insurance and publishing companies.**

**The exhibition is organised by Paul Atterbury, a former editor of "The Connoisseur." He said: "The collections have a far greater level of interest than I anticipated. I didn't expect to find nearly so much 20th-century material or so many British paintings." Works by Patrick Caulfield, Ceri Richards and John Hoyland, part of the collection housed by De Beers in its new building in Charterhouse Street, are on show.**

Alastair Muir

Juliet Stevenson and Daniel Massey

## Measure for Measure/Barbican

**B. A. Young**

This production, seen at Stratford last year, isn't exactly the play we're used to. The Duke, played with grace and good temper by Daniel Massey, disappears into disguise as a friar, but reveals himself to everyone he encounters. He throws back his hood almost at once, so the Provost, Lucio, Elbow and the Constable would know him immediately. Escalus does recognise him, and quizzes him through his glasses. As I see it, Adrian Noble is trying to emphasise that this grim play is indeed a comedy, and the Duke's hard advice about "Be absolute for death" and so on is only a joke.

Isabella seems to know him (note her emphasis on "you" at their first meeting, and the way she says a moment later "If ever the good Duke comes back.") Not only knows him, but likes him, throwing herself into his arms, never missing an opportunity for hand-holding. Juliet Stevenson is admirable in the part, though much unlike a potential nun. When she tells Angelo that "It is excellent to have a giant's strength," she sits at Angelo's desk as if they might be preparing for a scene of cross-talk. Her self-confidence melts only in the Duke's presence, as if he were her father. With Angelo, she might be arguing with her solicitor; and indeed David Schofield's way of indicating Angelo's coldness is to give him a kind of legal indifference, very effective.

The explicit comedy is good; Richard O'Callaghan's Lucio overdoes nothing but the make-up on his eyebrows, and Elbow is safe in the hands of Trevor Peacock (the only significant cast-change from last year). Peggy Mount is luxury casting for Mistress Overdone, for she has little to do; Campbell Morrison, on the other hand, with only a few lines as Barnardine, makes him a memorable Glaswegian drunk. Escalus and the Provost are singularly well done by Joseph O'Conor and Oliver Ford Davies, gentlemen to their finger-tips.

Shakespeare has put so many eccentricities into the play that we may forgive Bob Crowley for furnishing the prison with electric lights and an electric chair, in which the Duke sits to advise on preparation for death. Generally, though, the scenes, based on a bare stage overlooked by a high tower, are attractive indeed, and so, especially, is Ilona Sekacz's music, with its hints of Mozart and effective use of a treble voice, whose owner appears at the moated grange to sing "Take, O take" to Mariana (Tilda Swinton).

## More Beethoven/Festival Hall

**David Murray**

Claudio Abbado and the London Symphony continued their Beethoven cycle on Tuesday night with Maurizio Pollini as soloist. In the First Piano Concerto, restrained, conversational tone with which Abbado had his orchestra begin seemed to promise some dry wit later, but it didn't materialise; in the event we heard a very straight performance. Pollini was characteristically sober and brilliant at once—marvellous fingerwork, stern refusal to impose anything upon the music. The Largo had a satisfying expressive breadth; the Rondo was impersonally lively.

In the purely orchestral pieces, the "Egmont" Overture and the Fifth Symphony, Abbado used quadruple woodwinds as well as a large bank of lower strings. The latter threatened to make the Symphony bottom-heavy, and were a positive nuisance in the Trio of the Scherzo. All the strings had a hectic time in the opening Allegro, where unanimity was an unattained hope. The Andante was rashly quick—well beyond a plausible reading of Beethoven's "con moto"—and slipped twice into mere jauntiness. Everything was driven hard; some cheers at the end surely betokened exhaustion rather than excitement. The "Egmont" was rather stronger, and much tidier.

## Elaine Delmar/The Surprise W.1.

**Kevin Henriques**

The Surprise is a restaurant specialising in American food, situated in Great Marlborough Street, an exceptionally busy thoroughfare during the day but at night not renowned for attracting people looking for a meal. In an attempt to alter this the American owners have introduced a "live" music policy on Friday and Saturday evenings and for an initial 12 weekends the featured artist is singer Elaine Delmar.

Though not a jazz singer in the widely accepted sense of the phrase, Elaine Delmar's repertoire and approach are heavily rooted in jazz and her extensive stage experience put a high clash cabaret polish on everything she does. This is certainly not a fault when, as last Saturday, she sings little heard but nevertheless quality songs such as "The meaning of the Blues," "Guess who I saw today?" "Some of my best friends are the blues" and a skilfully gymnastic interpretation of Chick Corea's "La Fiesta."

With a happy and gently commanding but not over-assertive personality Elaine Delmar, together with meticulous pianist Brian Dee, quickly stills the chatter of evening diners and her two sets were received with the considerate attention she sometimes fails to get in jazz venues. Whether her ground-level position in a corner of the long rectangular room is the best possible for those at the opposite end is debatable. No doubt distant or discontented customers will find adequate compensation in the American dishes such as Coney Island clams, corn beef hash or cajun jambalaya—though surely this last should not be served *on* a bed of plain rice?—or the huge array of drinks including many cocktails.

## BP supports master classes

British Petroleum is to provide £20,000 over the next four years to enable young musicians and singers of outstanding ability to receive guidance and tuition from some of the world's most eminent virtuosi.

This year money will go towards supporting three master class courses covering German song, violin and cello, each to be held for two weeks during the summer. Over 40 international students will attend these classes at the Britten-Pears School for Advanced Musical Studies at Snape, near Aldeburgh in Suffolk.

## Art endowment by U.S. company

The New York Museum of Modern Art has been given a collection of 249 works of art by the McCrory Corporation of Delaware. The collection contains paintings, sculptures, and works on paper by 139 artists

## Poetry and transcendence: Tippett's 'Mask of Time'

**Andrew Porter on the first performance of the latest work commissioned by the Boston Symphony**

To celebrate its centenary, in 1981, the Boston Symphony commissioned a dozen new compositions, to be brought to performance during the centenary and the next five seasons. Similar public commissions in 1931 added Hindemith's Kontzertmusik and Stravinsky's Psalm Symphony to the repertory and in 1956 Roger Sessions's Third Symphony and Bernstein's Third. Notable works of the new series have been Sessions's Concerto for Orchestra, Peter Maxwell-Davies's Second Symphony, and, most recently—largest of all the commissions — Michael Tippett's *The Mask of Time*, which had its first performance on April 5.

The *Mask* is — well, a "masque for concert performance," evening-filling (the first part lasts 43 minutes, the second fifty), for solo quartet, chorus, and large orchestra. In the composer's words, "it deals with those fundamental matters that bear upon man, his relationship with Time, his place in the world as we know it and in the mysterious universe at large." The first sentence of his programme note is: *The Mask of Time* is explicitly concerned with the transcendental." And in a work-in-progress essay three years ago (which appeared in *Comparative Criticism*), he recalled creative artists' impulsion toward the end of their lives to give expression to the transcendental, evoking Haydn's *Creation*, Beethoven's *Missa Solemnis*, Delius's *Mass of Life*, and Mahler's Eighth — but as "negative" examples for a contemporary composer in "our world that has now acquired such vastly extended notions of space and time that any reliance upon past conceptions of the ontological and transcendental would be for me an error."

It is hard—the composer has found it so himself—to talk about *The Mask of Time* in terms that do not make it seem a pretentious work. But it is not that. Many years ago, I wrote in these pages of Tippett's having retained, Wordsworth-like, a boy's undimmed wonder at the world, informing and inspiring the visions of a mature man who has observed and suffered much. A large inspiration for the *Mask* has come from the most popular of modern artistic media: television. This is probably the first major work of art to capture for music the marvellous new images television has brought us: of the natural world seen at depths, from heights, and in details where no man's eye looked before; of exotic, colourful lives and places ("Chimborazo, Cotopaxi"); and of science that can count atomies and reach out into space.

At the start of his libretto, Tippett owes a large debt to Jacob Bronowski's *The Ascent of Man*—both the television series and the book—which "effected my conception in general terms and in its detailed contents." When Tippett writes and sets:

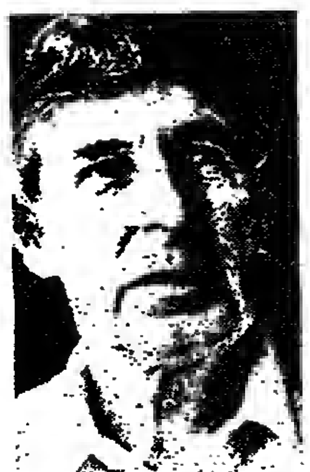
> O rose-red cinnabar, you
> sombre metal hell-heated,
> hotter, hotter!
> radiant
> look, look!
> a silver and liquid pearl of
> mercury,
> For fire is alchemy

he is paraphrasing for music Bronowski's account of the medieval alchemists who "took the red pigment, cinnabar, and heated it" until it is transmuted into "an exquisite pearl of the mysterious silvery liquid metal mercury, to astonish and strike awe."

The *Mask* is a composer's response to the ideas and images of the scientist-philosopher's account of man's origins, his evolution, and his discoveries about the world and the universe he inhabits. At the same time, it grows from thoughts Tippett has explored in his oratorios, operas, and symphonies: about time—an ever-extending past and unknowable yet influential future playing upon our present—and about human nature. Unlike Milton, he cannot seek to justify the ways of God to men. Yet, even when God shows us, as he showed to Moses, only his "back parts," they are "a gift."

There is some of Tippett's loveliest nature music in the score—enchanted pages telling of bliss in unserpented paradises such as we can still perceive and enjoy—until Nature red in tooth and claw with rapine disturbingly intrudes. Images of Nature's cruelty and her puzzling waste are drawn from Annie Dillard's neo-Transcendentalist *Pilgrim at Tinker Creek*.

The text is assembled from many sources. At the start, the chorus cries (to the word "sound," long-sustained, swelling and diminishing with a slow *oo-oo* pulse) a deep complex chord whose intervals can nevertheless be analysed in pure Pythagorean 1:3:4 relationships. Sound makes Tippett's metaphors. The tenor soloist — an individual man observing and trying to understand the universe—breaks in with "All metaphor," from Yeats's *High Talk*; and the poet's "barnacle goose far up in the stretches of night" is introduced by a high, thin, mysterious call. The



Sir Michael Tippett

world is created by a music (a reference to Haydn in the form of a new chorus on "Achieved" is the glorious work). Nature, lovely and terrible, with its transcendental visionary moments and Man's emergence from the Ice Age into a pastoral society and then into violence is reviewed. (Marvels are touched on: incantatory cave paintings; the chance hybridisation that turned wild grass into wheat.

In the final scene of Part 1, Adam, Eve, God and a Dragon (the four soloists) enjoy cocktail hour in a peaceable kingdom, crooning "Evening shadows" in close harmony while the chorus, with lines from *Paradise Lost*, sets the scene. (Charm and humour are not missing from the *Mask*.) But things go wrong: the Dragon becomes a serpent, God lifts off for His "country far, far beyond the stars," inviting Man to pray to Him, and Adam and Eve "weep for the loss of that sweet time."

Part II opens with the "barnacle goose" cry. The watching poet is now Shelley, whose last, great, unfinished poem *The Triumph of Life* is textually abbreviated but musically expanded in wonderful musical depictions of the poet's trance and his vision of the lurching, ill-guided chariot and the crowd thronging to its brutal, blundering progress. It breaks off, as the poem does, before the poet's question "Then what is Life?" can be answered, and we pass to scenes of Shelley's quest, his death, the pyre that could not consume his heart. Fire leads to thoughts of science. Three chorale preludes on "Veni creator spiritus" introduce evocations of Pythagoras and those who measured the world; of alchemists and chemists; of physicists who "unbind the structured atom to a whiteness that shall blind the sun."

Akhmatova's *Requiem* becomes a threnody for all nameless sufferers—a piercing and poignant blues for the soprano. Tippett felt uncertain how to end the work: "I cannot produce 'answers'." "What can we now praise, what we can affirm?" There follow three songs. The severed, unsilenceable head of Orpheus (the baritone) in lines from Rilke's *Sonnets to Orpheus* continues to sing. The mezzo pictures a strange scene of endurance and hope: anti-Nazis in Japanese-occupied Peking attend Helmut Wilhelm's lectres on the I-Ching, cast a hexagram, and read a message of Deliverance. Orientally tinged music cites a figure from the Triple Concerto. The tenor recounts a transient scene from Mary Renault's *The Mask of Apollo*: young Niko, visiting Olympia, looks up at the face of Zeus' statue, which seems to say "O man, make peace with your mortality, for this too is God." The arcane statement receives choral iteration ("peace" is set on Fs and F-sharps three octaves deep with a strange effect of dissonance reconciled) and passes in to a coda of wordless singing—wave upon wave of ecstatic utterance, apparently unquenchable but then suddenly "cut off as though by the closing of a door."

Tippett calls his *Mask* "a multiple panorama of experience." It is his most lyrical and abundant score since *The Midsummer Marriage*, filled with vigorous, leaping melody; magically evocative and beautiful sounds; tenderness; episodes of bright, hard, sometimes deliberately brutal brilliance. Plainchant, Monteverdi, Beethoven, Stravinsky have contributed elements to his individual amalgams. The harmony is his own particular "disturbed diatonicism"—major-minor at once, bitonal, or polytonal — which analysis of the notes alone cannot explain, for its affecting powers, like those of Berlioz's harmony, depend so much upon timbre, register, and "placing." The huge structure stands firm, for all its variety of sources and content. Recurrent themes, musical and verbal, underpin it. "In every age," Bronowski writes, "there is a turning-point, a new way of seeing and asserting the coherence of the world." "The moving spirit," Rilke exclaims, "loves above all else the turning-point." "Turning/returning" provides a recurrent musical motif in the *Mask*. Halley's Comet adorns the cover of the score and appears in several of its "sources."

Colin Davis conducted an inspired performance. The Tanglewood chorus, 150-strong, sang fiendishly difficult lines with confidence and had mastered the notes so that they could make the music. The orchestral playing was strongly and subtly coloured. The soloists—Robert Tear as protagonist, Faye Robinson, Yvonne Minton, and John Cheek — were sure and eloquent. Symphony Hall's platform was tight-packed. At the Proms this year it will be possible to "stage" the *Mask* more spaciously and a wider audience — for the performance is to go out on television as well as on radio — will discover one of the richest, most beautiful, and most exciting works of our age.

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Thursday April 19 1984

# Libyan guns and diplomacy

IN THE siege of St. James's Square, where the Libyan Embassy in London is surrounded by police, the British authorities need to distinguish between short and long-term aims. Tha short-term aim must be to bring the siege to an end as peacefully as possible. The long-term aim must be to try to ensure that nothing like it ever happens again.

There are several reasons for this note of caution. In the first place, there are some 8,000 Britons working in Libya, not to speak of the 20 or so in the British Embassy in Tripoli. Any rash action taken by the British in London could—and almost certainly would—lead to reprisals which Britain would be powerless to prevent. That is not a risk worth taking.

### Civil wars

There is also an international convention which grants immunity to accredited diplomats. Britain is e signatory to that egreement. For the country to break it, howaver strong the emotional justification, would be to risk reprisals of another kind. It would be a prescription for international anarchy going way beyond Anglo-Libyan relations. No diplomat anywhere could be considered safe if the theory of immunity were deliberately thrown to the winds.

In any case, it should not be too difficult for the British enthorities simply to sit it out. The Libyans are trapped in their Embassy, their communications presumably monitored. For the British the watchword must be patience: waiting for the Libyans to grow tired, while assuring them of safe conduct. They can then come out and be sent home. That would be the best solution in the circumstances.

It is, nevertheless, an intolerable situation and one not confined to London. The civil wars of other countries have taken place in the streets of Paris or Munich just as much as they have here. Some might say anarchy is already upon us and that violence should be met by violence. From that view we would dissent.

The long-term aim must be to secure an international convention on diplomatic immunity that works and is not abused. It must be based strictly on reciprocity and there must be sanctions. Any diplomat who disregards the rules must be thrown out at once.

### Cooperation

It should not be unduly difficult et least to raise the question et the UN. Too many countries have suffered from abuses to look lightly on what is happening in London today. Reciprocity and a strict set of rules ought to be in the mutual interest. Tha objective should be to echieve e tighter diplomatic convention as a matter of urgency. It would be interesting to sea which countries failed to give their support.

If, however, agreement cannot be reached at the international level, there are other steps which could be taken. The industrial democracies, for example, could pull a bit more of their own weight. It is not as if they are entirely dependent on a *country like Libya*. On the contrary, Libya is more dependent on them. That is why there are so many foreign technicians working there.

### Consequences

There is no absolutely compelling reason, either, why Britain has to have diplomatic realtions with Libya to any country which behaves in this way. They could be broken off. There would be more consequences for Libya in such a move than there would be for Britain, particularly if the European Community could act together. There is, after all, something called Political Co-operation

We hope that it will not coma to that and that relations can be restored to a civilised basis. But that does not include the freedom for Libyans or any other third party to condnct their feuds in the cities of Europe.

# Time for action on Wytch Farm

WYTCH FARM, it eppears, is still capable of giving ministers beadaches. It is three years since the Government first told the British Gas Corporation to sell its 50 per ceot stake in the Dorset oilfield. For more than a year, British Gas bas been negotiating the fine print of a sale to the Dorset Bidding Group, the consortium of private oil companies led by Tricentrol, that emerged as the winner of an open tender.

Yesterday, the Dorset group reiteratod its interest in purchasing the stake and urged Mr Peter Walker, the Energy Minister, to order British Gas to consummate the deal. What could be causing Mr Walker's hesitation and the Dorset group's nervousness? Wytch Farm has been an irritant for so long that ministers might be forgiven for wanting it sold to *anybody* at *any price* as soon as possible.

The complication is the Chancellor's recent Budget. Its abolition of capital allowances has altered the arithmetic of the Wytch Farm sale: onshore oilfields, which require relatively less capital to develop are now relatively more attractive thao the offshore variety. Last week, Rio Tinto Zinc, the mining conglomerate, caused a stir by saying it would like to bid again for Wytch Farm—if it were invited. Should Mr Walker, at this eleventh hour, instruct British Gas to invite new bids?

### Business ethics

The decision requires e careful weighing of economic and ethical factors. The Dorset group's bid has been *criticised* as stiogy. It is offering an immediate downpaymeot of £80m, a further £100m (up from £80m in recognition of the Budget) once the field is producing 20,000 barrels per day, and, most important, 40 per cent of net profits once the consortium's costs have been covered. This is not overly generous, but it is not a giveaway. Using slightly optimistic assumptions, British Gas reckons the present discounted velue of the field's assets is about £340m—which is what the Dorset group claims its bid is really worth.

By allowing more bids, the Government might get a better price. Some will argue that its duty to get the best terms for taxpayers overrides all other considerations. This would be shortsighted: in selling assets, the state must have regard to *normal business ethics*. The Dorset consortium has already suffered from British Gas's leisurely negotiating style: costly lines of credit bave beeo set up to pay for the acquisition; the chance to buy other oil assets—for example, the chunks of the Forties Field sold by BNOC and BP last year—have been missed; and a great deal of managemeot time and effort has beeo invested.

### Penalty

Speed, also, is of some importance. There has been enough filibustering. Had Wytch Farm been a commercially-owned offshore field it might now be producing 20,000 b/d or more instead of a puny 4,500. It would be unrealistic to expect British Gas to conclude a sale with any new purchaser in much less than a year.

The Government has been offered reasonable terms by the Dorset group; it should accept them. The fact that, after three years, British Gas has failed to obtain e better price is no reason for delay. It is e penalty of the Government's initial error: to make the corporation responsible for a sale it did not want to make.

### Lesson

That lesson has been well learned. The passage of the Oil and Gas Enterprise Act since 1981 has allowed the Government to remove British Gas's North Sea oilfields from the corporation's grip before attempting to sell them. The oilfields have been hived off as Enterprise Oil which is due to be floated on the stock exchange later this summer. Compared with Wytch Farm, the privatisation should be relatively painless.

Another lesson from the affair is the difficulty that government departments face in trying to exercise their wills indirectly through nationalised corporations. It is yet to be seen how the Department of Energy will cope with similar difficulties in two other areas: the miners' strike (where tactics are in the National Coal Board's hands) and the Sleipner gas deal, where, once again, it appears that the department does *not see eye to eye* with British Gas.


Left to right:—The Socialist case: banks have the big money power. Tax collectors catch the minnows: the rich are protected by bank secrecy. (But what of moonlighters?) The little guy is squeezed between the money bags. Bank power to manipulate others, a particularly emotional subject since Swiss banks may take equity positions in industry

# Swiss bank secrecy: a legend under threat

By W. L. Luetkens

THE ALPS are not going to disappear on Mey 20, though they very well might if you were to believe some of the more intemperata participants in the current debate in Switzerland ebout the hallowed institution of bank secrecy. On that Sunday the Swiss electorate is to decida in a referendum whether to modify the Swiss banker's legendary duty to keep mum ebout his clients' affairs.

One sida in the argument claims that, in its present form, bank secrecy has made Switzerland a haven for dirty money of every kind, a godsend for tax defrauders, and for unscrupulous operators cheating exchange controls in their own countries and, especially, in the Third World. The other says the charges are vastly exaggerated and sees the proposal as a diliberate attack on proven Swiss institutions.

Two key passages in the motion to be placed before the voters ought to be quoted in detail. One says that "banks, financial institutions and others that professionally take on deposit . . . or manage assets of third parties are obliged to give *information* to the authorities and courts in criminal and taxation matters" and "the principle that support is given to criminal procedures abroad in cases including taxation and currency offences is to be settled by legislation."

If a majority of the voters epprove and if, in addition, majorities in more than half of the 25 cantons do so, the proposals will become part of the Swiss constitution. A legend will have ended.

Will it really happen? Swiss voters are cussed and can be unpredictable. They can also look beyond their own immediate interests. Popular votes endorsing increases in local taxation are not uncommon. But laying open one's affairs to the tax collector is another matter: how many people, in Switzerland or elsewhere, would happily abolish their own tax fiddles? Public opinion polls have been taken privately: from whet is known, there is no majority in fsvour of the constitutional amendment.

Technically, this amendment is known as a popular initiative, because it was put on to the ballot on the demand of the Social Democratic Party after it bad secured the necessary 100,000 signatures. Popular initiatives are hardly ever accepted by the electorate though they can indirectly bring about profound change.

The origins of the initiative go back to the 1970s and even beyond. Bankers, never popular as a breed, were widely blamed for a number of ills. Their prowess and the aura of secrecy attracted floods of foreign money into Switzerland, so tha argument went, and thereby drove up prices. Moreover, the influx was pushing up the exchange rata to the disadvantago of manufacturing industry. The money shop, in a frequently heard phrase, was hurting the Swiss work shop.

Matters were brought to a head in 1977 when Credit Suisse, one of the big three Swiss benks, was gravely damaged by illegal operations of staff at its Chiasso branch. (The bank subsequently repaired the damage from its own resources without resort to any outside help.) The Socialists felt that the time bad come to move.

Their case that bank secrecy was being used to cover e multitude of sins won sympathy among many people outside the party ranks. Dr Markus Lusser, director-general of the Swiss National Bank, suggested as long ago as 1981 that the banks should devote more attention to improving the quality, rather than the quantity, of their business, adding: "To put it concretely, qnalitative growth means a more prudent selection of their clientele."

Just how mnch dubious foreign business has been accepted, unwittingly or otherwise, by Swiss bankers and others, such as lawyers acting as trustees, is a matter of debate, based inevitably on very few known facts. Dr Rudolf Strahm, a secretary of the Socialist Party, and one of the chief personalities associated with the initiative, says he cannot tell how much money has been moved to Switzerland in breach of their own laws by foreigners. "Money cannot be dyed to identify what is legal and what is illegal," he says. But he adds that anything between "several dozen and one hundred billion" francs in illegal money and other assets may be deposited in Switzerland.

Naturally, the banks contest these figures, and especially the claim that bank secrecy enables unscrupulous operators in Third World countries, including rulers in shaky positions, to pile up illegal nest-eggs in Switzerland. Dr Hans Mast, of Credit Suisse, a doughty fighter in the banks' cause, has estimated that Third World deposits in Swiss banks, excinding those from Opec and excluding those of assured cleanliness such as inter-bank or central bank deposits, total SwFr 8bn-10bn. Obviously, not all of that money is dirty.

Mr Rainer E. Gut, chairman of Credit Suisse, goes on to the offensive. "I am sure," he says, "there is mnch more money resulting from the flight of capital, whatever definition you want to give to that, in other financial centres than there is in Switzerland." To Mr Gut the banking initiative is one more left-wing attack on a political and economic system that has served Switzerland well. "If this banking initiative were to be accepted, it would be an indication to the world that . . . our political system had received a big dent."

To ram home his point that the entire Swiss system is coming under attack, Mr Gut instances the support that is being solicited for a referendum to abolish tha Swiss army. "It hasn't got a chance," he stays. "But let's assume that it were te pass. That would probably move more money out of Switzerland than if the banking initiative were to go through."

The banking side argues that if the vote on May 20 were to go against secrecy much money would leave the country, capital would become short, and interest rates — habitually among the lowest in the world —would rise. The first link in the argument may very well be sound; whether the conclusion is inevitabla is another matter.

Since Switzerland does not publish a capital account of its balance of payments, there is little firm evidence upon which to base the argument. But the country is a gross and probably also a net exporter of capital and net domestic savings are habitually large. If the referendum were to end bank secrecy the consequences would no doubt be drastic—but there is a cushion to absorb the blow at least partially. In the end gross capital imports might be reduced, and gross capital exports with them.

Similarly the supporters of the banking initiative are overstating their case when they argue that capital inflows, attracted by bank secrecy, are pushing up the exchange rate and damaging exporters. The usual surpluses on current account and the good Swiss anti-inflationary performance go a long way towards explaining the strength of the franc.

Instead of considering what will happen if the initiative goes *through*, it is probably more rewarding to consider what will happen if it fails—and what has already begun to happen in response to the initiative. The banks have entered into a gentlemen's agreement with the Swiss National Bank in which they undertake not to lend active support to illegal capital exports from other countries. Also, they check the identity of new clients with great care, lest they be crooks. The agreement is not watertight, but some hefty fines of up to SwFr 500,000 have been inflicted on banks that have been remiss. The money goes to the International Red Cross.

The parliament has passed legislation to permit the rendering of assistance to foreign states investigating tax evasion. Under certain safeguards, evidence may be requisitioned from a bank in cases of tax fraud. In Swiss law tax fraud requires an element of falsification or forgery of documents, and a tax declaration is not considered as a document.

The Government, by decree, has extended the concept of fraud for purposes of international assistance, to include devices such as the spinning of a tissua of lies to camouflage tax evasion. That decree is controversial and may have to be tested in the courts.

On the Swiss side it is claimed that the entire row with the U.S. about the so-called Marc Rich affair might have been avoided if the U.S. had applied for judicial assistance instead of relying on fines to squeeze documents out of the Swiss commodities dealer. This is not strictly a case of banking secrecy, but mnch the same considerations apply. The Swiss considered that the case was covered by their laws against economic espionage and that the U.S. courts were wrongfully trying to encroach npon Swiss sovereignty.

*The reforms so far made* have narrowed the scope of Swiss banking secrecy. Together with two spectacular coups said to have been made by French investigators on the trail of illegal capital exports, they have *prompted* some allegations that the whole edifice is collapsing.

That is not true. The Swiss definition of tax fraud for purposes of international assistance is restrictive, and offences against foreign exchange controls are not considered a matter permitting such assistance to be given.

Neither case in which French investigators are said to have gained access to secret information has so far been clarified. There is no precise evidence as to what they got hold of. Both cases occurred in Geneva, very close to the French border. Further, inland, it is likely to be very much harder to wheedle papers out of a bank employee, if that is what really happened.

Many thoughtful members of the Swiss establishment recognise that the issue of bank secrecy poses a grave dilemma. Their tradition tells them that the state has no business poking into their own affairs; they like to think of their compatriots as honest men who do not swindle the tax collector. They also know that the system is liable to abuse. They would be happiest if the banks were to police themselves ever more strictly. Some of these peopla may vote for the initiative simply in order to teach the bankers a lesson.

## WHAT THE RULES ARE

**BANKERS everywhere are expected to keep their clients' secrets. Up to a point, at least in theory, that is so even in the Soviet Union. Yet the concept of bank secrecy is associated in everyone's mind with the banking community in Switzerland. Swiss banking secrecy is unusual because:**

- **Secrecy is protected not only by the civil but also by the criminal law. A banker or bank employee can be jailed for up to six months or fined np to SwFr 50,000 (about £16,000) for betraying a professional secret.**
- **Numbered accounts, meaning *anonymous* accounts, are permissible. The identity of the clients is known only to selected members of the bank's management.**
- **Tax evaders can profit from Swiss bank secrecy. A Swiss bank may not divulge information about its clients' affairs to the authorities except where crime is involved. Tax evasion is not considered a crime. Tax fraud *is*, but it is narrowly defined.**
- **Switzerland declines to help ether countries in tracing funds transferred to Switzerland allegedly in breach of the exchange control of those countries. Switzerland has barely any exchange controls and they are not backed by sanctions of criminal law. That excludes any possibility in such cases of giving investigators from other countries assistance under laws and agreements for mutual international assistance in criminal matters.**
- **If a Swiss public prosecutor receives information that bank secrecy *has* been infringed, he must investigate and, if appropriate, prosecute. That makes banking secrecy even more stringent than the professional secrecy of, say, doctors or lawyers, where the case would be taken up only if an injured party lodges a complaint.**

**Some or all of these features of Swiss law have parallels abroad. What makes Switzerland unique is that this well-protected edifice of banking discretion exists in one of the leading financial centres of the world with a reputation for political and economic stability and a high concentration of banking expertise. Even without the advantage of Swiss-style secrecy, the Swiss franc would generally be considered a secure home for anyone's money.**

# Men and Matters

### In their own write

With Walter Wriston, Citicorp's retiring chairman, talking about everything but his successor at his last annual meeting, it was left to imaginative shareholders to enliven the U.S. bank's get-together this week.

One shareholder was positive that Wriston would mount a sneak attack and name Paul Volcker, the U.S. Federal Reserve Board chairman, to the Citibank hot seat sometime in July or August when attention everywhere would be focused on the U.S. Presidential election.

But a suggestion that Wriston should read the report of e handwriting analyst before naming the successor to his $1.23m-a-year job won wider agreement.

Just such a report was presented to the company secretary at the meeting by an elderly lady shareholder, wearing what she described as "my Argentine hat"—a neat little black number which Wriston wittily commended, saying: "You got your hat along with our interest, I congratulate you."

The lady noted that the three front-runners for the job (which becomes vacant on Wriston's 65th birthday in e few months' time), Hans Angermueller, John Reed and Tom Theobold, all hold the same title of vice-chairman, take home the same pay cheque of $703,153, and are listed alphabetically in Citicorp's annual report—thus giving no clues to Wriston's planned choice.

A handwriting expert, she proposed, might be the tie-breaker. "Their signatures are so different," she said, "if you want to find a clue, I think you will find it here."

According to the expert's report which she presented to the meeting, Wriston's "straight up and down" handwriting shows "excellent balance between mind and emotion, reserve and self-control."

Angermueller's signature shows "high aspirations and aggressiveness"; Reed's "forward slant" indicates "an eager, enthusiastic person who likes people" and "an expansiveness of mind less given to concentration"; while Theobold's "heavy pressure" marks "vitality and ardour" and a "hesitancy to rush headlong into anything new unless there is some reasonable insurance that it will work ont."

The edvice she gleaned for Wriston was that "Theobold may offer something to recommend him to stockholders."

"I am sure that is very helpful," Wriston responded gallantly. "Thank you. I like your hat."

### Master minds

It may be the computer age but chess-players are proving that we humans are still the masters.

International chess master David Levy has been rubbing in the point this week in a $5,000 match at Brunel University, London against the world computer chess champion, the Cray XMP.

By *winning the* first three of four scheduled games outright Levy has left his opponent reeling against the ropes and scattering its bytes all over the ring.

Levy is a former Scottish chess champion and author of The Chess Computer Handbook. He bet $5,000 that no computer could beat him in e chess match. Omni, a science magazine, underwrote $4,000 of the wager.

Back in 1968, Levy bet some university professors £500 that no computer built in the following ten years would be good enough to beat him. He won.

After last night's victory he paid a graceful compliment to his electronic opponent. "The Cray XMP made a lot of very sensible moves."

Spurred on by defeat the makers of the Cray are now piling up hardware to make a system which in two years time will bave 20 times the calculating ability of the current model. That means it will be able to scour over 2m positions before making a move.

Levy says he is prepared te meet the challenge. He also forecasts it will be 20 years before a computer will be able to beat a world-class international chess grand master. Doesn't it make you proud to be human?

### Simon said

Denmark has lost one of its most brilliant businessmen and greatest eccentrics with the death, at the age of 62, of Simon Spies, founder and owner of Scandinavie's biggest tour operator, the Spies travel group.

Starting in 1956, with capital raised by pawning a gold ring, Spies built the group into a business with a turnover last year of Kr 1.3bn (£94.5m), catering for 400,000 tourists, and making e net profit of Kr 163m (£11.8m).

The group's assets totalled about Kr 1.1bn (£91m) and the eqnity to assets ratio was 69 per cent, making it one of Denmark's wealthiest businesses. Spies' own fortune was put by his lawyers et about the same amount as the company's assets.

Simon, as he was nationally known, was constantly in the headlines. His behaviour, not least as a latter-day Casanova, often outraged the Danes.

He earned hundreds of column inches with an episode in the 1960s when he ordered two front row seats at the Royal Theatre in Copenhagen — one for himself, the other for his walking stick.

A couple of years ago, he was on the front pages again when the Scandinavian airline, SAS, refused to allow his Pomeranian dog, Archibald, to occupy a first-class seat beside him. Simon SAS's biggest customer, threatened to break off all his business relations with the airline.

His last great exploit was to marry, just a year ago, a 20-year-old office girl, Janni Brodersen. The wedding was one of the biggest social events of the decade in Copenhagen. The couple expressed their deep love for each other—but there was also a commercial motive for the marriage.

It reduced inheritance taxes to 32 per cent from the 90 per cent rate which could have brought the travel group to its knees.

Janni, who inherits Kr 200m, has also inherited the Spies business. She becomes sole owner and, if she wishes, chief executive. She has gone back to school to complete the exams she abandoned on joining the Spies group at the age of 15 and plans to take up her management duties this summer.

In spite of her slender qualifications for the top job in Danish business, Janni has impressed those who have met her in the past year. She is, as the Danes say, a girl with "bone in her nose."

There was not a catty word to be found about her in the newspapers this week. It was generally agreed that when Simon changed his will in her favour last December, he may have been taking a gamble but it was a shrewd one.

### Victorian values

Mrs Thatcher, who holds Victorian values in high regard, will be proud of fund managers F and C Management. The group is changing its name to Foreign and Colonial Management — the name of the original investment trust from which the group developed.

Kevin Pakenham, managing director explains: "We were founded in 1868 and are proud of our Victorian heritage. We have found that bare initials are too impersonal."

**Observer**

ECONOMIC VIEWPOINT

# The non-agenda of the State

By Samuel Brittan

IF THERE is any subject which evokes knee-jerk reactions it is that of "cuts" on state spending and state intervention. At one end of the spectrum all such talk is dismissed as Thatcherite malevolence; and at tha other any and every cut is regarded as obviously desirable, but perhaps "politically difficult."

Yet there is a serious underlying question: which services are best left for individnals to provide for themselves in the market place; and which are best provided collectively through the machinery of state? Or as Keynes once put it in the 1920s: What are the agenda and non-agenda of government? Sixty years later we are nowhere near answering it.

Three publications have appeared in the last few days, arguing that the government agenda is less than conventionally assumed. Most recently, and Adam Smith Institute Report, *Industry Policy*, prepared by John Burton and others, has argued that Britain's industrial future will be based on small business and service industries. (The report is obtainable from ASI Ltd, PO Box 318, London SW1 P3DJ.)

In contrast to many such reports it does not demand more belp or special schemes for small business and is critical of the existing ones. Indeed it argues for a "deregulated" small business sector exempt from the employment legislation, sickness provision and wage regulation for which there may be more of a case in tha larger organisation. Having just come back from Northern Italy, where the countryside is full of small plants free from the wage agreements and regulations negotiated so noisily in Rome, I was sympathetic to the general case—even though I have an aesthetic datestation of the ribbon-building development for which the small business sector appears responsible.

**THE MINFORD SPENDING CUTS**

| Savings in 1990 (£bn) | |
|---|---|
| Health | 6.0 |
| Education | 16.0 |
| Pensions | 3.2 |
| Unemployment benefits | 1.0 |
| Personal social services | 0.6 |
| Nationalised industries | 2.0 |
| Industry, etc. | 4.3 |
| Housing | 4.1 |
| Transport | 0.5 |
| Agriculture | 1.0 |
| Defence | 2.0 |
| Environment | 1.2 |
| Other government programmes | 1.0 |
| Total programmes | 42.9 |

Mr John Redwood

**THE MINFORD INCENTIVE EFFECTS HOPED FOR IN 1990**

| | On output (%) | Indirect effect on revenue* (£bn) |
|---|---|---|
| Rise in tax thresholds and child benefits, abolition of personal N.I. | + 2.0 | 2.9 |
| Unemployment benefit ceiling | + 2.4 | 3.5 |
| Abolition of NIC | + 5.0 | 7.0 |
| Reduction of VAT by 4% (to 11%) | + 0.4 | 0.6 |
| | +10.4 | 14.0 |

*Assuming marginal tax rate of 0.4, and money GDP pre-charges=£335bn.

Prof Patrick Minford

The Adam Smith Report is equally dismissive of "decelarative" industrial policy designed to prop up declining industries such as steel and coal and "accelerative policy" designed to "pick winners." Indeed it advocates retraining vouchers which redundant employees could use for retraining schemes of their own choice, or alternatively encash to finance a self-employed business.

Similar conclusions are reached by John Redwood now bead of the Prime Minister's Policy Unit, in *Going for Broke* (published by Blackwell). His technique is different: a case-by-case approach to state support covering De Lorean, British Leyland, British Shipbuilders and Steel, Inmos, ICL, BNOC, British Rail and so on. The villain of the piece emerges as the Department of Industry, which has persuaded successive Ministers, of the most diverse ideologies, that so much money had been spent on a particular lame duck that there was no alternative to spending still more.

It was consistently in favour of keeping British Leyland as a unified entity. "This was an amazing view, given that so littla action had been taken to unify the many different businesses that comprised the cobbled-together empire. It was difficult to see what economies could be made between bus, truck and car assemblers, between the maker of Jaguar and tha maker of Mini Metros. Yet the myth persisted that the only way to keep BL afloat was to sustain a large integrated car, bus and truck operation, and even the entirely unrelated businesses, like refrigeration, were fought over before they were sold."

Mr Redwood's study is a detailed case-by-case one and far from a theoretical onslaught on industrial intervention. Yet his final assessment is: "Looking at the whole record of Governments' involvament in industry, tha conclusion to which one has to come is that it would be better if they did not intervene at all."

Tha third study is by Prof Patrick Minford in the April issue of *Economic Affairs* (published by the IEA). His is the most analytical of the three and goes beyond industrial policy to tackle the sacred cows of the Welfare Stata, such as health, education and pensions. The mere mention of Minford's name has a polarising effect. Some of my Alliance friends bristla at the thought of writing abont a dreadful man who wants to cut unemployment benefit. On the other hand, some of my friends a the Institute of Economic Affairs almost jump in delight at baving discovered a man who can demonstrate in modern mathematical jargon the case for privatising the Welfare State.

Yet Prof Minford has tried hard, especially in his earlier theoretical sections, which have received no attention, to stick to mainstream economic angles and to embody (with the exception of unemployment benefit) the value judgments about redistribution embedded in the existing Welfare State.

He begins with an essential distinction often overlooked between state *production* of services (wbether in tha nationalised industries, schools or bospitals), state *purchases* (eg, military equipment, drugs or road maintenance) and state *transfers* (auch as pensions). State prodnction is *primo facie* undesirable because it is monopolistic. Privatisation, Minford sees as a necessary although not a sufficient condition for the reintroduction of competition.

The losses from stata expenditure on "free" or subsidised services are more subtle. Bnt inevitably the services, wbether education or health, have to be rationad; and more or less will be provided than the consumer would bave bought for himself at market prices

Finally there are the distortions brought about by taxes. All real-world taxes distort tha choice between work and leisure, risk and non-risk activities, or paid-work and do-it-yourself or the "black economy." More cautious economists will aay the distortions can go either way; and that people may on occasion work more as a result of tax. But Minford ia convinced that tha effect of taxes, particularly on the low paid, is to reduce onput by 60 per cent of the sums raised.

The first table sbows bow Minford would cut spending. The controversial parts are clearly the gradnal privatisation of bealth, education and pensions. Minford would say that his particular way of using the sums saved would ensure that people could afford to pay school fees, take out medical insurance and provide for their pensions. He would abolish all personal National Insurance contributions (which are regressive) raise tax thresholds to £110 per week for a married couple, and raise child benefits from £6.50 to £22 per child, thus in a sense financing school fees.

In addition he would pool all present Family Incoma Supplements, rent aod rate rebates, and benefits like free school meals and milk and convert them into a negative income tax (NIT) payable to everyone at work through PAYE, with an implicit marginal tax rate of 70 per cent until the cut-off point is reacbed. This scheme is self-financing, more limited than many other Negative Income Tax schemes, and could be introduced independently of the other Minford proposals.

Adequate expenditure on approved health insurance, education and pensions would be a condition for receiving NIT in the complete plan.

When it comes to bealth and education, my reaction is not so mncb to throw up my hands in horror as to ask wbether all the upbaaval will be worthwhile. Minford is *not* suggesting that these services are lika holidays on tha Costa Brava, or purchases of consumer durables, on which people can make their own decisions. Minimum expenditure will be required on education. There will be inspection of schools and even state subsidy for the classics and arts at university stage. To avoid the shambles that exists in the U.S., where heaven belp anyone who falls over in the street without his Blue Cross card, medical insurance will be compulsory.

To his credit, Minford does his basic arithmetic without counting the increased output which he thinks bis changes will bring and which is summarised in the incentives effects table. It will be saen that 75 per cent of the assumed extra growth is not dependent on the curb on unemployment benefit.

But incentive effects are inevitably speculative. My basic question is wbether the ordinary taxpayer, who will pay much less tax, but have to dip into bis pocket for health insurance, school fees and orovide pensions contributions up to minimum specified levels, is going to feel better off, or even possess much fore freedom of choice than he does today. Remember too that children are not the chattels of their parents; and Victorian school talas do not suggest that parental choice in the market on their behalf produced such delightful results.

It may be that if we were starting afresb, state support would take the form of financing rather than provision of health and education. But these services have so many characteristics different from those of normal marketable products that the state is heavily involved in all countries both with the prodncer and the consumer.

My main fear is that to concentrate on privatising walfare—an area wbich has always presented special problems—while market principles are hardly understood in the beartlands of industry and rommerce would be an unfurtunate diversion. You only have to look at the letters columns in this or any other newspaper to see how many businessmen, commentators and politicians, want the state to make strategic entrepreneurial choices, to promote exports, deter imports and "decide" whicb industries are going to replace North Sea oil.

Many of the worst offences against market principles do not involve overt tax finance at all. Examples range from milk quotas and limits on Japanesa car imports to "Buy British" practices of oublic anthorities. A crusade for denationalised bealth and edncation should not be a priority wben the basic function of markets, prices, profits, wages and property ownership are so little understood in any political party or on either side of industry and there are sitll so many government policies and restrictive practices in what should be the market sector of the British and most other European economies.

## Lombard

# Donald Regan versus Japan

BY NICHOLAS COLCHESTER

ANYONE who has tried to grasp the labyrinthine workings of Japanese finance must sympathise with the frustration of Donald Regan, the U.S. Treasury Secretary, as Japanese negotiators half-promise to make alterations be cannot gauge to a system be cannot be expected to understand. And doubtless anyone who has sat opposite Donald Regan will sympathise with the Japanese as be tells them that the best way to make their financial labyrinth more transparent is throngb courageous use of dynamite.

The U.S. is driven by three different motives in making an issue of this arcane matter of Japanese financial deregulation. The first is the conviction that the sheltered, controlled nature of the markets through wbich the Japanese yen is bought and sold, borrowed and lent, has kept the Yen undervalued against the dollar and thus made Japanese industry more competitive than it should be.

The second is that as part of its drive to open up world trade in services the U.S. is particularly conscious of the constraints on American financial service companies trying to do business in Japan. The third, and most Reaganesque, motive is the administration's conviction that an economy as big and advanced as Japan's jolly well ought to bave a free market financial system like tha American ona.

The rationale behind the first argument is that it is mucb more difficult for the world's investors to bold cash balances in marketable, interest paying short-term yen investments than it is to do the same in dollars. Provide freer access to yen investments and yen loans, so this argument goes, and the net effect will be that more people will buy yen to park some of their weayth in yen assets than will borrow yen intending to sell them for goods or other currencies.

There could well be some sbort-term truth in this argument, but I find it hard to believe that once the frustrated demand for yen liquid assets is satisfied the openness of the yen market will produce a higher, long-term equilibrium exchange rate against tha dollar. Does the ready evailability of a commodity necessarily ensure it a higher world market price? Did not the Swiss franc and the Deutsche Mark appreciate uncomfortably during the 1970s despite efforts to keep them out of the hands of international investors?

I suspect that the persistent undervaluation of the yen results far more from the different roleand impact of interest rates in the U.S. and Japan. The U.S. relies on credit pricing to allocate credit; Japan still relies upon a degree of credit allocation. In addition, differences in the tax treatment of borrowing and saving in the two countries conspire to produce a higher equilibrium level of interest rates in the U.S. than in Japan — interest rates have to be higher to "bite" in the U.S. than they do in Japan. The result is a constant deflection of the world's savers away from the yen and towards the dollar.

Turning to the second U.S. motive—access of U.S. institutions to Japanese financial markets — the Treasury secretary ts right to push tbe Japanese as hard as he can. There is a clear asymmetry between the activities of Japanese financial institutions abroad and the rights of foreign institutions in Japan. The best way to put pressure on Tokyo is for Western governments witb substantial financial centres to be more rigorous in insisting on reciprocal rights wben they allow Japanese companies to play their markets.

But, turning to tha third U.S. motive, this does not mean Japan sbould be forced to accept a U.S.-style financial system for the good of its economic soul. So long as control of a nation's monetary system is considered a vital ingredient of sovereignty, it must remain a cardinal rule for mutlinational financial institutions that they abide by local regulations and customs wherever they are operating.

The fact is that a more liberal financial order is irrepressibly emerging in Japan as investors insist on realistic returns, banks rebel against bnying low yielding government bonds, and so forth. Such cbanges must be allowed to evolve from within, and Donald Regan does his other, more righteous causes a disservice if be tries to impose them from without.

# Letters to the Editor

## Why tax offices are far-flung

*From Sir Lawrence Airey, Chairman of the Board of Inland Revenue*

Sir,—May I respond to the points made by Mr K. G. Speyer (April 7) about dealing with distant tax offices?

There are two main reasons why PAYE taxpayers often find that their tax affairs are not handled locally. First, PAYE operates through the employer, so that for practical purposes all the employees of an employer have to be handled by a single office. Where a large empleyer operates nationwide, this can mean that many of his employees find that their tax office is some way off.

Second, over the years we have had to disperse large blocks of PAYE work out of areas like London to the provinces—for example, Manchester, Edinburgh and Cardiff—which are better able to recruit and retain the staff wa need.

We are very conscious of the inconvenience that can sometimes arise in dealing with a remote tax office. We do expect Inspectors to be economical in their use of the telephone, particularly for long-distance or peak-rate calls. But where there are urgent operational grounds for a call back to a taxpayer, it should be made and there are nn orders to the contrary.

We have PAYE enquiry offices in many large towns and we also ask local tax offices generally to give assistance to anyone who calls or telephones for advice or help. The address of the nearest local office can be found under Inland Revenue in the telephone directory.

Lawrence Airey.
*Somerset House, WC2.*

## Dual residence voting anomaly

*From Mr K. J. Davies*

Sir,—A recommendation bas been put to the Government by a select committee on homa affairs concerning the Representation of the People Act that it abould be a criminal offence to register for more than one residence for inclusion in the electoral roll for parliamentary elections.

As the law now stands a person who owns more than one residence is entitled to register at any or all of them, regardless of where he actually resides on the qualifying date of October 10. Thia means that an elector with mnltiple registration, although able to vote only once in a parliamentary election, does have the choice of wbere to cast that vote.

An elector wbo lives for most of the year in a safe constituency where his party has a sizeable majority and is almost certain to win that seat, can chooose to cast his vote in a marginal constituency where he owns a holiday bomc and wbere that vote can influence which political party wins that seat.

It may be that he spends only two to three weeks of tha year in that marginal constituency and that he was never in residence there on October 10, but under the present system of registration be is within the law to register there and to choose to cast his vote there.

I have known of cases where wbole families have been registered at boliday bomes, including married children and their spouses. They have become electors in very marginal constituencies where their only claim to registration is that they are relatad to someone who owns a property there. In some cases they are left on an electoral register from year to year without even completing the annual Form A declaring that they are entitled to be so registered.

Multiple registration is widespread and the electoral laws are abused, so making a mockery of the democratic processes wbereby MPs are elected. It is time for a change in the electoral law so that an elector is registered once only, and that registration is to be at his principal residence. This would be much fairer, since it would abolish the privilege exercised by those wealthy enough to have more than one residence to decide where to cast their vote to best advantage.

The Home Office should take heed of the recommendation of its own Select Committee on this matter and take steps to see that recommendation implemented.

K. J. Davies.
*24, Lowden Ave, Chippenham, Wilts*

## Report on ECGD organisation

*From the chairman, ECGD Whitley Council*

Sir,—The trade unions representing the staff of ECGD are at present consulting their members before making a formal response to the report on the department prodnced by the Matthews Committee. We have no wish to make premature judgments on the many complex issues which have to be discussed with management and ministers over the coming months, bnt in view of your editorial of April 12, which was broadly favourable to the report, it is as well to sound a cautionary note.

On initial reading we are far from impressed with the report. We consider that anyone recommending a drastic change in the organisation of such a vital body as ECGD at such a critical point in the country's economic recovery should provida a closely argued and convincing case that tha advantages will justify the inevitable period of disruption.

Despita the masses of evidence submitted to it, the committee fails to make such a case. It fails to substantiate its main charge against the existing organisation, that of inflexibility. It does not explain adequately how a public corporation would overcome this alleged failing. Like the amateurish CBI effort which preceded it, the report offers only pious bopes and sweeping generalisations to back up its central theme.

Ministers, management, unions and the exporting community now have to maka vital and complex decisions based on the findings of this report. We are all surely entitled to ask—like Mr Mondale—"Where'a the beef?"

J. Sweeney,
*Departmental Trades Union Side, Crown Building, Cardiff.*

## Investment in UK industry

*From Mr P. F. Reilly.*

Sir,—In your leader-paga article "Tha Heresiea of Mr Lawson" (April 11) you attribute the abolition of investmant allowances to the fact that the Thatcher Government "does not like distorting market forces."

If the government wishes to be consistent, it would do well to replace tha present rating system which taxes development and improvements with site-value rating which penalises non-development.

Surely a discrepancy in the rates liability between developed and vacant land distorts market forces and causes disequilibrium. The evidence is the scandalous acres of "surplus" land in areas of high unemployment. Yet the government is yielding to pressure to release green belt land for development!

When demand falls and supply is fixed, prices should fall to a level which generates sufficient demand to remove the surplus. Thus the derelict land which scars our cities should fall to a price which attracts developers. The resulting development should go some way to restoring employmenl opportunities and regional equilibrium in this economy.

The reason that it does not hsppen is the opportunity this land, which bears no rate liability, affords to speculators. There is no pressure on them to sell. They can wait for a price which yields them a suitable return on their "investment" in land. Yet it is an investment which adds nothing to the national product. It is an investment which reaps where others have sown. Its pay-off will depend on recovery of the local economy, or expensive incentiva schemes, under regional policy, to attract industry and promote prosperity.

Sefton, Marseyside, faced with the problem of vacant factories being "deroofed" to avoid rate liability, responded by derating the factories. This encourages thair continued vacancy for tha sama reasons. How much more sensibla it would have been to rate the site value only. No one can destroy or hide land. Owners who could nnt afford the rates would be forced to sell, as quickly as possible, and obviously at a price greatly reduced from the one they now expect!

Such a tax reforming policy would therefore encouraga private development, raise additional rata revenue, reduce the need for taxpayer-financed incentiva schemes, reduce land prices and rents, thereby rednc ing a cost of prodnction and the rate inflation. What more could Mr Lawson expect from any tax reform!

P. F. Reilly,
*Southport Liberal Association, Economic Policy Group, 89, Windsor Road, Southport.*

## IFS and Liberal-SDP Alliance

*From the Deputy Director, Institute for Fiscal Studies*

Sir,—Whatever Mr Nigel Lawson's views—no doubt faithfully reported in your article "The Promise of a Very Long Hot Summer" (April 13)—the Instituta for Fiscal Studies is not "the policy-making arm of the Alliance." We have no more contact with the Allisnce than with either of the other two major parties and nobody on tha staff is, to our knowledge, a member of either the SDP or the Liberal Party.

One of the pleasures of working at IFS is that our work avoids, or straddles, these simplistic political labels. Sometimes tha conclusions we reach are labelled Right-wing, sometimes Left-wing—which does not of course make them Centrist. It is a sad indictment of our political system if its major figures cannot understand that research which seeks to be independent and objective is not the property of some other political party.

Nick Morris,
*1/2 Castle Lane, SW1.*

FINANCIAL TIMES

Thursday April 19 1984



The Bundesbank discerns disturbing trends in a crucial export sector, **Jonathan Carr reports**

# Germans fall back in high-tech race

THE WEST GERMAN economy has gone far to recover from the setback to its international competitiveness suffered in the second half of the 1970s. But the West Germans (and their key European partners) are slipping further behind the Japanese in the crucial field of high technology products.

This broad picture emerges from the 1983 report of the Bundesbank, the central bank, released today. It notes that in the years 1979-83, West Germany's wage unit costs increased far more slowly (by 15 per cent) than those in its 13 main competitor countries (up by an average 29 per cent).

The rise in the D-Mark over the same period only partly undercut the price advantage for West German exporters from relatively lower wage costs. The stronger currency, moreover, helped to depress import prices of energy and raw materials, giving German industry a further advantage over most competitors.

Those were among the main factors helping to bolster the West German visible trade surplus and to pull the current account out of the red from 1982.

That said, the Bundesbank examines West Germany's performance in exporting high technology products over the past decade or so – and finds the picture less satisfying. It takes five main product fields – data processing, telecommunications, electron tubes and transistors, measuring instruments and medical technology – and looks at how the five other main exporting countries in these sectors also have been performing.

The result is that, while West Germany had a 26.3 per cent share of the high technology exports of these countries in 1972, by last year the share had dropped to an estimated 17 per cent.

The shares of France, Britain and Switzerland, all lower than West Germany's in the first place, also fell over the period. The U.S. remains clearly in the lead, though its share fell too, from 1982 to 1983. Only the Japanese consistently moved upwards – almost doubling their share to 25 per cent and pushing the West Germans into third place.

There are some points of comfort for the West Germans. Their 1983 share has declined but the market (at $54bn) has grown fast, so that West German high technology product exports last year were worth $9bn compared with $2.2bn in 1972. Moreover, perhaps surprisingly, the West Germans have e big and growing trade surplus in these products.

While they have a trade deficit on data processing and electron tubes and transistors, they are well in the black on high precision measuring instruments, telecommunications and medical technology. In other words, the West Germans are not weak in all high technology sectors, nor performing more poorly against all competitors. The Bundesbank study serves to underline a particular lag in electronics and the extraordinary success of the Japanese.

The sectors examined by the Bundesbank make up only a fraction of West Germany's total exports, which were worth DM 432bn ($164bn) last year. But while relatively small, they are growing fast. Furthermore, it is on its performance in high technology products that West Germany's future export success and economic health greatly depends.

A recent study by IFO, the Munich economic research institute, showed that while in 1970 three quarters of West German exports were made up of products not produced in the developing world, by 1981 the share had dropped to 46 per cent and had probably continued to fall.

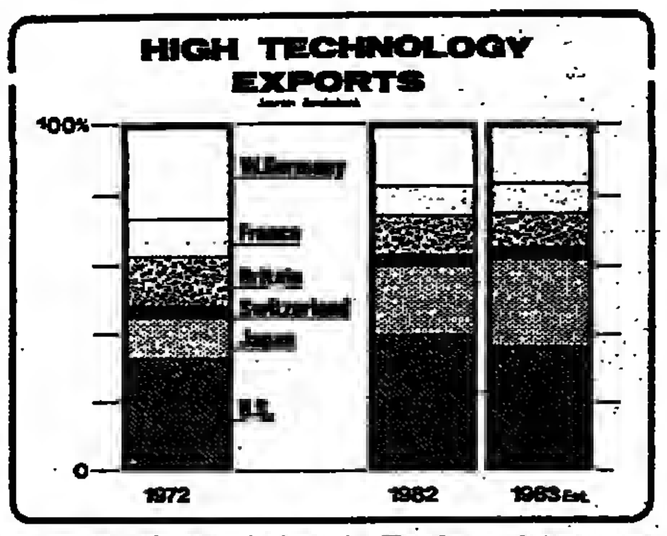
In other words, high technology is the elevator by which West Germany can raise itself above the growing competition in traditional goods from the developing, low-wage-cost world.

**WEST GERMAN FOREIGN TRADE IN HIGH TECHNOLOGY PRODUCTS (D-Mark bn)**

| Export | 1972 | 1982 | 1983† |
|---|---|---|---|
| Data processing | 1.8 | 3.7 | 4.8 |
| Telecommunications | 3.6 | 5.0 | 4.8 |
| Electron tubes, transistors | 1.7 | 2.4 | 2.9 |
| Measuring instruments | 3.5 | 6.0 | 6.4 |
| Medical technology | 1.8 | 2.9 | 3.3 |
| TOTAL* | 12.9 | 20.6 | 22.9 |
| **Import** | | | |
| Data processing | 2.2 | 4.2 | 5.3 |
| Telecommunications | 1.8 | 2.7 | 2.8 |
| Eelectron tubes, transistors | 2.3 | 3.4 | 3.9 |
| Measuring instruments | 1.9 | 3.4 | 3.4 |
| Medical technology | 0.8 | 1.3 | 1.4 |
| TOTAL* | 9.1 | 14.9 | 16.9 |
| **Trade Balance** | | | |
| Data processing | −0.4 | −0.5 | −0.5 |
| Telecommunications | 1.8 | 2.3 | 2.0 |
| Electron tubes, transistors | −0.6 | −0.9 | −1.8 |
| Measuring instruments | 1.6 | 2.7 | 2.0 |
| Medical technology | 1.0 | 1.6 | 1.9 |
| TOTAL* | 3.8 | 5.7 | 6.0 |

* Including nuclear reactors. † Provisional.

Source: Deutsche Bundesbank




# THE LEX COLUMN

## Bank of Scotland heads the queue

In ordinary circumstances the Bank of Scotland's first rights issue for a decade would have looked a neatly timed exploitation of the bank's strong share price in the past year. Since the issue was planned in January, when deferred tax had yet to become e cavity in the banking sector's balance sheet, the original opportunism has been replaced by something more like necessity.

The Bank of Scotland has added to its reputation as a sharp operator by getting in ahead of the bigger clearing banks – which need the money more urgently – and thus obtaining its equity on better terms.

The official reason for coming to the market is the bank's aggressive intention to develop its lending activities south of the border, which will require a certain amount of spending on computers and other fixed assets, and put pressure on capital ratios as the balance sheet expands.

Indeed it should not be beyond the Bank of Scotland to expand its business fast enough to absorb an injection of £42m almost before it has been received.

The need to provide £58.3m against fallout from the new corporation tax regime, however, means the bank has an even more immediate use for the equity – the proceeds will come in handy to set against this year'a extraordinary provisions.

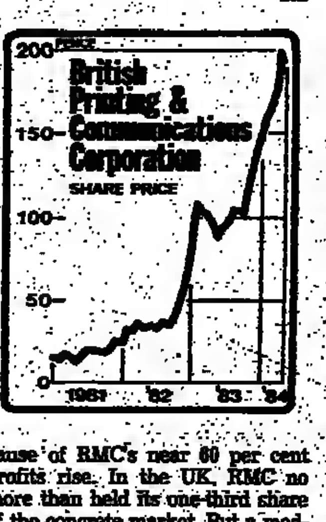
Before the other banks, Bank of Scotland – has come reasonably clean on the nature of its leasing-related liabilities. Of the total provision, about half is the estimate of tax likely to become payable – if enough new business can be written to preserve timing benefits. The remainder relates to profits taken prematurely on leases where tax variation clauses are going to reduce future income. More will be heard of provisions for this type of clawback, in larger amounts, before long.

### RMC

Building materials companies had a cracking time in 1983, judging by RMC's figures. That certainly got through to the market yesterday, pushing RMC's shares up 24p to 485p, and the message was not wasted on other shares in the sector.

Operational gearing is the main cause of RMC's near 60 per cent profits rise. In the UK, RMC no more than held its one-third share of the concrete market. But a modest enough 4 per cent volume rise and 6 per cent price increase, plus help from the other bits and pieces, made for a jump in UK margins from 7.4 per cent to 9 per cent. That turned a 15 per cent sales gain into a 39 per cent profits increase. The freeze on cement prices, a major cost element in concrete, can have done no harm. And the cement makers look like missing out on the party both in 1983 and 1984.

RMC had the same good fortune in West Germany, its second market – good news for Redland, which is big there, too. And the hard work put into the German RWK associate began to pay off with a turnround from losses to profits. This year RMC should lift pre-tax profits to around £85m, putting the shares on a prospective 10 p/e. That looks fair value with the peak of the construction cycle only just appearing on the horizon.




### BPCC

The smoke wreathed around BPCC by the impact of Mr Robert Maxwell's 1981 survival plan is starting to clear, to judge by the latest results for the year to December. Here and there the group's real shape is hidden still by clouds of dense accountancy, where redundancy costs blend confusingly with asset revaluations, or higher than expected production costs disappear behind a shroud of extraordinary items. But the 78 per cent jump in BPCC's pre-tax profits to £22.1m is clear enough and there is no denying the scale of some remarkable margin improvements made in 1983.

To have closed 10 of its plants and laid off 4,000 of its (mostly print union) employees over three years with only one, relatively limited, disruption to output is no mean achievement for BPCC, and its printing profits have risen from £8.98m to £15.82m in the second half. But in the wake of the Odhams (Watford) and Park Royal plant closures – neither included in the original survival plan – BPCC can yet expect a second wave of rationalisation benefits to accrue in the current year.

The group's real task as a stabilised concern, however, is to recapture the long-term contracts worth perhaps £500m or more which have been placed overseas by UK customers in recent years. This must be the prerequisite for lifting BPCC's capacity utilisation much above its present 60 per cent level and even the continuing heavy investment programme will be no guarantee of success in a fiercely competitive international market.

Meanwhile, the capital commitment required has allowed no let-up in the net debt: equity gearing of the balance sheet, which remains at around 75 per cent. Cash flow has been negative to the tune of £15m or so; but a little over half of this deficit has gone into restoring the dividend, so that the shares at 196p, up 7p, yield 4½ per cent. Pre-tax profits of perhaps £40m should require no more rabbits out of Mr Maxwell's hat in 1984 and would imply a p/e multiple of 7½ assuming a tax rate of 20 per cent.

### ABP tender

There must have been some worried men at Schroders on Monday, when the equity market seemed to cave in, and threaten to leave the applications for shares in AB Ports buried in the rubble. Selling shares by tender in a down market is no joke. In the event, things turned out about as well as anyone could reasonably have hoped when the tender was underwritten last week; the institutions have actually tendered for the shares they wanted, and the Government has obtained virtually a full market price for its second tranche, certainly more than could have been asked – in last week's market – for a fixed-price offer.

# Moscow cool over chemical arms ban

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

THE UNITED STATES yesterday released details of its proposed draft treaty for a worldwide ban on the production and stockpiling of chemical weapons.

Mr George Bush, the U.S. Vice-President, addressing the 40-nation United Nations disarmament conference in Geneva, outlined provisions in the draft which appear to include some of the toughest verification measures ever demanded by a Western government in an arms control document.

Initial Soviet reaction to the draft treaty was cool. Mr Viktor Issraelyan, the Soviet Ambassador to the conference, said Moscow would study the proposals "as we study all documents submitted by any delegation."

The attempt to negotiate a total ban on chemical weapons has dragged on at the Geneva-based UN body since 1969. It has been emphasised recently following UN confirmation that chemical arms have been used in the Iran-Iraq war.

Mr Bush said yesterday that the U.S. draft treaty, which has been expected for some weeks, was intended to ban the possession, storage, production and export of chemical weapons. Their use in warfare is banned under the 1925 Geneva protocol.

Verification measures proposed include systematic on-site inspection of production facilities and of the 10-year phased destruction of stockpiles.

He also described an "unprecedented open invitation verification procedure" under which all states would agree at short notice to open for international inspection all military or government-controlled facilities.

The verification procedures were vital to an effective treaty which would "eliminate the possibility of chemical warfare forever," Mr Bush said.

Earlier this week, Moscow criticised the U.S. moves as being a cover for U.S. plans to produce chemical weapons. President Reagan has asked Congress for funds to "prepare" for such production in the absence of a worldwide ban.

Other delegations in Geneva, including some from Nato, also reacted cautiously yesterday, principally because it was felt that the intrusive verification would be difficult to apply and would invite rapid rejection from the Soviet Union.

**Anti-missile campaigners jailed, Page 2**

# Paris Cabinet calls vote to test Communists

**Continued from Page 1**

which precipitated the crisis between the two parties.

Foreshadowing his declaration before the Assembly today, M Mauroy told the Cabinet yesterday: "One could not be for a policy and against it." He said that there was no alternative to the Government's policy of "rigour" and of industrial rationalisation despite the social problems created.

He accused the Communists of publicy calling into question agreed Government policy over salaries, steel and industrial restructuring. He said the time had come when each side should reaffirm its faith in an "alliance clear and well defined."

M Marchais, at his press conference, threw the ball back into the Government's court, claiming that it was the Socialists who had backed down from the programme agreed in 1981. "Our support of the Goverment has never meant unconditional agreement on all decisions" be said.

He also showed his anger at yesterday's decision by the judicial authority, the Conseil d'Etat, to annul two further municipal election results. These concern the towns of Thionville and Houilles won by Communist mayors in 1983. The case of Thionville is particularly embarassing because it is in the steel region of Lorraine.

M Marchais had earlier made a strong protest to the Prime Minister against the annulments which he regards as reflecting discriminatory action against the Communists.

# World Weather

| | | °C | °F | | | °C | °F | | | °C | °F | | | °C | °F |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ajaccio | F | 16 | 61 | Dubrovnik | S | 18 | 64 | Malaga | S | 19 | 66 | Salzburg | F | 9 | 48 |
| Akrotiri | S | 23 | 73 | Faro | S | 21 | 70 | Malta | F | 16 | 61 | Seoul | F | 14 | 57 |
| Algiers | S | 17 | 63 | Florence | F | 17 | 63 | Manila | F | 36 | 97 | Singapore | R | 30 | 86 |
| Amsterdam | F | 12 | 54 | Frankfurt | F | 10 | 50 | Miami | C | 25 | 77 | Stockholm | F | 9 | 48 |
| Athens | C | 17 | 63 | Funchal | C | 18 | 64 | Milan | S | 17 | 63 | Strasbourg | S | 12 | 54 |
| Bahrain | F | 29 | 84 | Geneva | S | 9 | 48 | Moscow | F | 19 | 66 | Sydney | C | 28 | 82 |
| Bangkok | F | 35 | 95 | Gibraltar | – | — | — | Munich | C | 8 | 46 | Taipei | C | 28 | 82 |
| Barcelona | S | 15 | 59 | Guernsey | S | 14 | 57 | Nairobi | – | — | — | Tangier | S | 21 | 70 |
| Beirut | F | 26 | 79 | Helsinki | S | 8 | 46 | Naples | S | 15 | 59 | Tehran | – | — | — |
| Belgrade | C | 11 | 52 | H. Kong | C | 25 | 77 | New Delhi | F | 37 | 99 | Tel Aviv | C | 28 | 82 |
| Berlin | F | 12 | 54 | Innsbruck | F | 8 | 46 | New York | C | 17 | 63 | Tenerife | S | 21 | 70 |
| Biarritz | S | 16 | 61 | Inverness | R | 11 | 52 | Nice | R | 16 | 61 | Tokyo | F | 24 | 75 |
| Blackpool | C | 10 | 50 | Istanbul | S | 12 | 54 | Oporto | R | 22 | 72 | Toronto | F | 7 | 45 |
| Bordeaux | S | 16 | 61 | Jersey | S | 14 | 57 | Oslo | S | 8 | 46 | Tunis | C | 16 | 61 |
| Brussels | S | 13 | 55 | Jo'burg | — | — | — | Paris | S | 14 | 57 | Valencia | S | 19 | 66 |
| Budapest | F | 16 | 61 | Las Palmas | S | 21 | 70 | Prague | F | 10 | 50 | Venice | S | 15 | 59 |
| B. Aires | F | 18 | 64 | Lima | F | 25 | 77 | Reykjavik | Sl | 1 | 34 | Vienna | S | 11 | 52 |
| Cairo | C | 26 | 79 | Lisbon | S | 22 | 72 | Rio de J'o | F | 36 | 97 | Warsaw | F | 12 | 54 |
| Cape Town | S | 21 | 70 | Locarno | C | 18 | 64 | Rome | S | 12 | 54 | Zurich | F | 8 | 46 |
| Caracas | C | 30 | 86 | London | F | 13 | 55 | | | | | | | | |
| Casablanca | S | 21 | 70 | Los Angeles | F | 23 | 73 | | | | | | | | |
| Copenhagen | S | 8 | 46 | Luxembourg | S | 11 | 52 | | | | | | | | |
| Corfu | C | 15 | 59 | Madrid | S | 17 | 63 | | | | | | | | |
| Dublin | R | 11 | 52 | Majorca | S | 17 | 63 | | | | | | | | |

*Readings at mid-day yesterday:*

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

# BL returns to operating profit

**By John Griffiths in London**

BL, the British state-owned motor group, last year achieved its first operating profit – £4.1m ($5.8m) – since 1978. It compares with a loss of £125.8m in 1982, and follows a major turnround in the group's cars business.

The net loss was virtually halved, to £151.5m from £292.9m, despite increased provisions for further restructuring of the commercial vehicle operations, which remain deeply troubled by the world truck market recession.

Overall, BL exceeded by a small margin its objective of break-even at the operating level, and appears well on course to meet its next target of breaking even at the pre-tax level this year.

Last year's pre-tax loss was cut most sharply of all, to £67.1m from £222.7m the previous year.

The cars division transformed a 1982 operating loss of £78m into a £73m profit last year.

With privatisation looming for at least parts of BL, the group for the first time provided a breakdown of individual companies' performance.

Austin Rover, including the BL Technology offshoot, made a small operating profit of £2m, compared with a 1982 loss of £103m. The improvement was made despite fiercely competitive conditions in the UK car market, which has led all the volume manufacturers to provide substantial financial support to promote sales.

It comes ahead of the major impact on Austin Rover sales expected this year from the launch next week of the Montego range, which will provide Austin Rover with its first real rival to the Vauxhall Cavalier and Ford Sierra in the all-important fleet market.

The breakdown also confirmed that the financial performance of Jaguar, the prime candidate for privatisation later this year, had been widely under-estimated.

Jaguar made an operating profit of £55m, an increase of £40m over 1982. The figure prompted a Jaguar spokesman to say yesterday: "The figures show that Jaguar can pay its way, and generate enough revenue to develop products for the future."

Unipart, the parts and accessories division which is also a prime candidate for privatisation, increased its operating profit to £17m (£14m).

Difficulties faced in overseas markets by the Land Rover-Leyland group were reflected in an increased trading loss of £66m, up from £42m.

Within the group, Land Rover UK – which consists of the Land Rover four-wheel drive operation and the Freight Rover vans business – made a loss of £14m. Land Rover itself made its first-ever loss, offset by a small profit by Freight Rover, whose UK sales increased sharply last year.

The black spot remained Leyland Vehicles, the trucks operation, whose operating losses increased to £70m last year.

Leyland Vehicles' exports last year were down to 2,600 units against an average of 14,000 in the 1970s. Most other truckmakers have experienced similar declines.

BL's total sales revenue last year was 11.4 per cent up at £3.421bn (£3.072bn). UK sales increased to £1.935bn (£1.614bn).

# AT&T cuts annual earnings forecast

BY PAUL TAYLOR IN NEW YORK

AMERICAN Telephone and Telegraph (AT&T), the U.S. telecommunications group, yesterday reported its first quarterly earnings since the break-up of the Bell System on January 1.

Mr Charles Brown, AT&T's chairman, said he expected the company's earnings to improve throughout the year, but warned that AT&T did not expect to reach the $2.02 a share in full-year earnings it projected last November.

AT&T said it earned $226.9m, or 20 cents a share, in the first quarter, on revenues of $8.04bn. The company said its revenues would have been $4.94bn higher but for special access charge expenses.

The first-quarter results were, however, broadly in line with AT&T's latest revised projection, and the expectations of Wall Street analysts. Mr Harry Edelson, an analyst with First Boston, said: "The results were about what we expected. I think they will get progressively better throughout the year."

Last month, AT&T indicated it did not expect to earn its declared 30-cents-a-share dividend in the first quarter.

Yesterday, Mr Brown, speaking before the company's annual meeting in Milwaukee, Wisconsin, noted that the first three months had been "eventful," but added that the earnings were "about what we anticipated for the period."

"Our start-up financial planning has been based on the general assumption that our earnings will improve as the year unfolds, and that continues to be our expectation," Mr Brown said.

He added, however, that the outlook "remains uncertain," and said AT&T is in for "a rough couple of years." Federal Government policy is a key factor in the company's future financial performance, he said.

AT&T, which last month filed an emergency petition asking the Federal Communications Commission (FCC) to review its controversial long-distance telephone call access charge plan, said: "It is now time for the Government to play fair with us."

● AT&T will seek to remove the FCC's Computer Enquiry II – which predated the divestiture agreement and required AT&T to separate its competitive and monopoly services, Mr Brown told shareholders yesterday. The move, which is likely to prove highly controversial, had been expected after the break up which, AT&T argues, removed the need for the ruling.

● AT&T Information Systems, the telephone equipment sales division, is offering voluntary early retirement to most of its 60,000 service division employees. The move is the latest in a series by the AT&T group to cut costs and reduce expenses.

● BellSouth and U.S. West, two of the seven regional telephone holding companies formed out of the AT&T break up, have announced first-quarter results much as expected. BellSouth reported first-quarter earnings of $270.4m, or $2.80 per share, on revenues of $2.27bn; U.S. West reported profits of $202.6m, or $2.10 a share, on revenues of $1.7bn.

# UK may veto EEC budget support loan

**Continued from Page 1**

Presenting the loan proposals, Mr Christopher Tugendhat, the Budget Commissioner, tactfully pointed out that the need to find additional financing for the budget largely stemmed from the cost of the farm prices and reform package agreed by all ministers last month.

All member states agreed on the agricultural settlement and it would be in all our interests to see agreement on this loan," he said.

In London, government officials said the Commission's request would be the subject of careful and lengthy study, but there was a general scepticism that Britain could agree to it ahead of a final deal on a permanent system of rebates.

Even then, there are doubts among ministers as to whether the money is actually needed.

The Government's view was summarised recently by Mr Michael Jopling, the Agriculture Minister, when he said the Commission should find economies to cope with the overrun in farm spending.

**David Housego writes from Paris:** Mrs Margaret Thatcher, the British Prime Minister, is to have lunch with President François Mitterrand in Paris on May 4, the Elysee announced yesterday.

The meeting will provide the French with a critical assessment of Mrs Thatcher's readiness to make concessions in advance of the EEC summit at Fontainebleau in June. He had indicated at his press conference a fortnight ago that he would have liked to have had talks with Mrs Thatcher when he visited recently the Jet nuclear fusion project at Culham in the UK.

Though differences have narrowed since the March summit over the British budget issue, the French believe that it is up to Britain to show some movement. This was indicated by M Claude Cheysson, the French Foreign Minister, when at the last brief gathering of EEC foreign ministers he simply asked Sir Geoffrey Howe, Britain's Foreign Secretary, whether he had any fresh proposals.

Mr Christopher Tugendhat



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# Bank of Scotland in £41m cash call

**By David Lascelles in London**

BANK OF SCOTLAND, one of the UK's most innovative banks, yesterday announced a 19 per cent rise in profits last year and called on its shareholders for £41.5m ($59.3m) to fuel further growth. The rights issue will be its first in over ten years.

The Edinburgh-based bank has been pioneering new products like high interest-bearing money market accounts and home banking through video link-ups. Many people see it as the bank of the future based on modern technology rather than bricks and mortar branches, of which it has relatively few.

Operating profits were £61.3m, up from £51.5m in 1982. The board is proposing to raise the dividend by 16.7 per cent to 28p for the year.

But the bank was forced to dip into its reserves to the tune of £56.3m to meet new tax liabilities resulting from the British Government's decision to phase out capital allowances. Mr Bruce Patullo, treasurer and general manager, said yesterday that this provision would enable the bank to meet 60 per cent of its total liability.

The Bank of Scotland decided to make the provision in one go rather than spin it out over several years, so as to clear the decks for the rights issue.

The issue consists of one share at 520p for every four, a discount of about 20 per cent. But the bank will also be making a one-for-one scrip issue, so shareholders will actually be asked to buy one new share at 260p for two existing ones.

Barclays Bank, which owns 34.5 per cent of the bank, and the Kuwait Investment Office with 9 per cent have agreed to take up their entitlements, and the remainder was underwritten by stockbrokers de Zoete & Bevan and Bell, Lawrie, Macgregor & co.

The bank denies that the issue is connected with the £56.3m tax provision. Mr Patullo said it had been planned since January, and was designed to enable the bank to take advantages of new business opportunities.

However, Bank of Scotland is already one of the best capitalised banks in the UK and there was some speculation that the proceeds might be used to buy a securities firm, which the bank denied.

Lex, Page 18

# ICL warns of need to boost turnover level

**BY GUY DE JONQUIERES IN LONDON**

SIR MICHAEL EDWARDES, chairman of ICL, the largest British-owned computer manufacturer, has given a clear warning that the company must sharply increase turnover if it is to maintain present staff levels.

"Our output per man is far too low by world standards and even by the best UK standards," he said in an interview with ICL News, the company's house magazine. Either the company would have to maintain the present turnover with less people, or carry a much higher and still profitable sales figure if employment levels were to remain around 22,000.

ICL's staff fell from a peak of 34,000 in 1979 to 22,600 last year, largely because of redundancies during its financial crisis three years ago. Turnover last year was £845.6m ($1.2bn) or £37,000 per employee – a third of the ratio at the UK subsidiary of IBM.

Though ICL now had some major product strategies in place, there were still uncertainties about its future direction, Sir Michael said.

He also emphasised that there was no risk of him and Mr Robb Wilmot, ICL's chief executive, stepping on each other's toes. "Despite the impression that people seem to have . . . of both Robb and I being autocratic, neither of us are," he said.

The interview was Sir Michael's first public statement since he became chairman of ICL at the start of this month, and ICL News noted that he had not sought to edit the text.

He also said that:

- Though he had been favourably impressed by the quality of ICL's staff, there were still problems of attitude. Far too many decisions were referred upwards, which implied weakness in middle and upper-middle management.

"There are still too many people in the company who keep looking upwards for guidance and support and assurance when simple commonsense should tell them what has to be done... there's far too much debating; there's more cynicism than a healthy company wants."

- ICL had imposed many bureaucratic constraints on employees because they lacked self-discipline. "Slowly, we will move back to discipline and away from bureaucracy... but not too slowly."
- It would take ICL another two or three years to regain the public image it deserved. "But I am bound to say that, in those two to three years, we will need to take an enormous amount of action to be sure we deserve the image we want."
- Psychological aptitude tests, which ICL has recently instituted for its managers, were not intended to weed out staff. They were designed to ensure that people were appointed to the right jobs, performed to the best of their ability and made the most of their career potential.
- He would have declined to be both chairman and chief executive, if that role had been offered to him, and he and Mr Wilmot had a clear definition of their respective roles.

Sir Michael would chair the main board and handle ICL's external relations, while Mr Wilmot was in charge of all operations. The only areas of overlap would be in charting corporate strategy and deciding on senior executive appointments.

The UK subsidiary of IBM the U.S. corporation, plans to recruit 1,000 people this year, more than 200 of them new graduates.

IBM employed 15,500 people in the UK at the end of last year.

# Coca-Cola income up 11% in quarter

**By Paul Taylor in New York**

COCA-COLA, the world's largest soft drinks company, which also owns Columbia pictures, yesterday reported an 11.7 per cent increase in first quarter net income, which it attributed to higher worldwide soft drink sales, including a 22 per cent volume increase in the UK, gains from the sale of bottling plants and a lower effective tax rate.

The Houston-based company said its first quarter earnings increased to $138m, or $1.02 a share, from $123.5m, or 91 cents a share, in the same period last year.

In the year-ago first quarter, a $1.4m loss from continued operations reduced final net earnings to $122.1m or 90 cents a share.

The group noted that net gains flowing from its efforts to restructure the bottling network in parts of the world, including sales of bottling assets in Australia and Japan, were posed as net other income in the latest period. Without these gains, and a lower effective tax rate, Coca-Cola said its increase in operating income would have been a more modest 1.1 per cent.

Coca-Cola said revenues from continuing operations increased by 6.5 per cent to $1.58bn

# Domestic market share gain aids Philip Morris

**BY TERRY DODSWORTH IN NEW YORK**

PHILIP MORRIS, the U.S.'s largest cigarette manufacturer and owner of the Marlboro and Benson & Hedges brands, reported a 10 per cent increase in first-quarter oet profits to $205.1m, or $1.67 a share, from $186m, or $1.48 a share a year ago. Sales reveoue rose from $3bn to $3.2bn.

Mr George Weissman, chairman, said profits had been adversely affected at the net level by an increase in effective tax rates this year. Overseas, the strong dollar had continued to depress the results, although there had been an improvement receotly.

Unit volume in the internatiooal division, however, had increased, and had also risen in the U.S. As a result, Philip Morris had gained market share in the domestic market where industry unit volume had been flat.

The Miller Brewing Company division registered flat revenues, be added.

Philip Morris said that during 1983 the company's real-estate operations were reorganised under Mission Viejo Realty Group and were accounted for on the equity method. Real-estate operations were previously consolidated.

The company believes the equity method of accounting for the reorganised real-estate operations provides a more meaningful presentation of financial results.

Separately, R. J. Reynolds, the country's second largest cigarette producer, which markets the Winston and Camel brands, announced a 4.4 per cent increase in net profits from $159m or $1.27 a share, to $166m, or $1.33 a share.

The company added that the underlying figures, adjusted for extraordinary items, showed a larger gain from continuing activities.

# Takeover defence by Texaco

**By Terry Dodsworth in New York**

ONLY WEEKS after spending $10bn on one of the largest takeovers in history, Texaco, the U.S. oil giant, is taking steps to forestall similar moves against it should other companies consider them.

Texaco said that the proposals, now being put to shareholders, were not aimed at any specific incident. They come, however, only shortly after the company was forced to pay $1.26bn to buy out a 9.9 per cent stake built up in the company by the Bass family of Texas, in what was widely regarded as a hostile manoeuvre. That came only shortly after the takeover of Getty Oil by Texaco.

Among Texaco's recommendations is the proposal that its board of 13 members should have a staggered process of election rather than the annual method presently used.

Texaco launches $500m Eurobond, Page 42

# Reynolds improves

**BY TERRY BYLAND IN NEW YORK**

THE RECOVERY in world aluminium prices enabled Reynolds Metals, the second largest U.S. producer, to extend its swing back to profitability in the first quarter of this year.

Sales increased by 27 per cent to $944.9m in the first three months of 1984, and Reynolds, which supplies 11 per cent of the non-Communist world's demand for aluminium, turned a deficit of $60.2m in the 1983 quarter into a net profit of $22.3m or $1.03 a share this time.

For the whole of last year, Reynolds lost $28.4 or $1.77 a share, on sales of $3.7bn. The group moved back into profitability in the middle of 1983

Among Reynolds' major U.S. customers are the construction industry, which takes nearly one quarter of group output and the transport industry with a further one fifth.

# Carter Hawley Hale buys back shares

NEW YORK – Carter Hawley Hale Stores, the U.S. department stores group, has bought 6.5m of its common shares, or 18 per cent of the stock outstanding, and plans to buy more in an effort to thwart a takeover bid from The Limited, the stores group.

The way was cleared for the large Los Angeles-based retailer to continue buying its shares when a federal judge in Los Angeles rejected The Limited's request for a temporary restraining order barring further purchases. Carter Hawley had already bought 5.5m shares before The Limited pressed the judge to intervene.

Carter Hawley has said it might buy back as many as 15m of its own shares, equal to about 42 per cent of the commoo stock outstanding, as part of a series of moves designed to block The Limited's $1.1bn offer.

Carter Hawley also said that it sold a new issue of convertible preferred stock to General Cinema for $300m, giving the soft drinks bottler and cinema film chain 22 per cent of the retailer's voting rights.

Carter Hawley also gave General Cinema an option to buy Walden Book, one of its most profitable units, for $285m.

In another development, Carter Hawley said in filings with the Securities and Exchange Commission that it plans to cancel its $900m credit agreement made on April 9 with 14 domestic banks. Carter Hawley had said that the agreement replaced existing bank credit arrangements.

For the fiscal year ended January 28, The Limited had earnings of $70.9m on sales of $1.09bn. For the same fiscal year, Carter Hawley earned $87.5m, including $19.7m in pre-tax, non-recurring gains, on sales of $3.63bn. AP-DJ

# Brazilian ore group up sharply

**By Andrew Whitley in Rio de Janeiro**

SOME OF Brazil's most prestigious industrial companies have reported mixed fortunes in 1983. Their balance sheets reflected the deep domestic recession which has been offset partly by higher exports.

The most outstanding performance was produced by Companhia Vale do Rio Doce, CVRD, the world's leading iron ore exporter. Its net profits jumped by 360 per cent in cruzeiro terms to Cr 197bn ($320m at the average exchange rate, compared with 1982 recorded profits of Cr 43bn ($238m).

CVRD, which is 56 per cent state-owned, reported net operating revenues of Cr 625bn ($1.02bo) slightly down in U.S. dollar terms oo its 1982 figure of Cr 212bn ($1.19bn). Exports, at $721m, represented nearly three quarters of 1983 sales.

The unusual feature of CVRD's profits leap is that it was achieved against the background of a weak external market with sales down in dollar terms compared with 1982.

The company yesterday forecast a more favourable outlook for 1984, when it aims to expand sales to traditional steel customers in Asia and Western Europe, and to develop new markets.

Rhodia is Brazil's leading textiles and synthetic fibre producer, with sales traditionally totalling more than $1bn. It is a wholly-owned subsidiary of Rhône-Poulenc of France.

Rhodia's net profits declined steeply by 54 per cent in constant cruzeiro terms – discounting last year's inflation of 211 per cent – and by nearly 60 per cent in dollar terms. The company declared profits of Cr 14.9bn ($24m) in 1983, against Cr 10.4bn ($58m) in 1982.

But yesterday's real surprise was the recovery of the Matarazzo industrial group, a century-old textile and paper empire which collapsed last year. Twelve of its units including the holding company, went into "concordata" – the legal half-way house to bankruptcy. It reported that the group ended 1983 with a sharply reduced operating loss of Cr 5bn ($8.7m), and turned in a small net profit of Cr 3.6bn ($5.8m).

# Manufacturers Hanover shows slight advance

**By Our New York Staff**

MANUFACTURERS Hanover, the fourth largest U.S. banking group in terms of year-end assets, yesterday reported slightly higher first-quarter net earnings of $84m compared with $82m a year ago. But earnings on a per share basis declined to $1.88 a share compared with $2.04 a share a year earlier, reflecting the issue of 5m new shares in February in connection with the banking group's planned acquisition of Cit Financial from RCA.

The bank said its earnings would have been about $19.3m lower had it not been for the late agreement under which Argentina was able to pay interest on its outstanding foreign public debt.

Non-performing loans at the bank increased to about $1bn or 2.03 per cent of total loans at the end of the quarter, np from $832m or 1.72 per cent at year end and $873m or 1.92 per cent a year ago. About $330m of the non-performing loans are foreign credits including $46m of loans to Argentina.

# Investment by German Ford

COLOGNE – Ford-Werke AG, the West German unit of Ford Motor of the U.S., has said it will invest DM 315m ($119.3m) in the production of a new car transmission system.

The system, called continuous variable transaxle (CTX), has beeo developed in co-operatioo with Dutch specialists Van Doorne Trasmissie. Ford said it had registered four patents in connection with the CTX and another one together with Van Doorne.

The new cootinuous transmissioo system is the first to be used in Ford-Werke's compact Fiesta model next autumn. AP-DJ

## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 8½% | Heritable & Gen. Trust | 8½% |
| Allied Irish Bank | 8¾% | ■ Hill Samuel § | 8½% |
| Amro Bank | 8½% | C. Hoare & Co. † | 8½% |
| Henry Ansbacher | 8½% | Hongkong & Shanghai | 8½% |
| Armco Trust Ltd. | 8¾% | Kingsnorth Trust Ltd. | 10 % |
| Associates Cap. Corp. | 9 % | Knowsley & Co. Ltd. | 9½% |
| Banco de Bilbao | 8½% | Lloyds Bank | 8½% |
| Bank Hapoalim BM | 8½% | Mallinhall Limited | 8½% |
| BCCI | 8½% | Edward Manson & Co. | 9½% |
| Bank of Ireland | 8½% | Meghraj and Sons Ltd. | 8½% |
| Bank of Cyprus | 8½% | Midland Bank | 8½% |
| Bank of India | 8½% | ■ Morgan Grenfell | 8½% |
| Bank of Scotland | 8½% | National Bk. of Kuwait | 8½% |
| Banque Belge Ltd. | 8½% | National Girobank | 8½% |
| Banque du Rhone | 9½% | National Westminster | 8½% |
| Barclays Bank | 8½% | Norwich Gen. Tst. | 8½% |
| Beneficial Trust Ltd. | 9½% | People's Tst. & Sv. Ltd. | 9½% |
| Bremar Holdings Ltd. | 8½% | R. Raphael & Sons | 8½% |
| Brit. Bank of Mid. East | 8½% | P. S. Refson & Co. | 8¾% |
| ■ Brown Shipley | 9 % | Roxburghe Guarantee | 9½% |
| CL Bank Nederland | 8½% | Royal Trust Co. Canada | 8½% |
| Canada Perm't Trust | 8½% | ■ J Henry Schroder Wagg | 8½% |
| Castle Court Trust Ltd. | 9 % | Standard Chartered ‖ | 8½% |
| Cayzer Ltd. | 8½% | Trade Dev. Bank | 8½% |
| Cedar Holdings | 9 % | TCB | 8½% |
| ■ Charterhouse Japhet | 8½% | Trustee Savings Bank | 8½% |
| Choulartons | 10½% | United Bank of Kuwait | 8½% |
| Citibank Savings ¶ | 9½% | United Mizrahi Bank | 8½% |
| Clydesdale Bank | 8½% | Volkskas Limited | 8½% |
| C. E. Coates | 9½% | Westpac Banking Corp | 8½% |
| Comm. Bk o fN. East | 8½% | Whiteaway Laidlaw | 9 % |
| Consolidated Credits | 8¾% | Williams & Glyn's | 8½% |
| Co-operative Bank * | 8½% | Wintrust Secs. Ltd. | 9 % |
| The Cyprus Popular Bk. | 8½% | Yorkshire Bank | 8½% |
| Dunbar & Co. Ltd. | 8½% | | |
| Duncan Lawrie | 8¾% | | |
| E. T. Trust | 9 % | | |
| Exeter Trust Ltd. | 9½% | | |
| First Nat. Fin. Corp. | 11 % | | |
| First Nat. Secs. Ltd. | 9½% | | |
| Robert Fraser | 9½% | | |
| Grindlays Bank ‡ | 8½% | | |
| ■ Guinness Mahon | 8½% | | |
| ■ Hambros Bank | 8½% | | |

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.25%. 1-month 6%. Fixed rate 12 months £2,500 8% £10,000. 12 months 8.25%.
† 7-day deposits on sums of: under £10,000 5¼%, £10,000 up to £50,000 5¾%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5¼%.
‖ 21-day deposits over £1,000 5¾%.
§ Demand deposits 5¼%.
¶ Mortgage base rate.



# Strong orders lift Wang profits 35%

**By Our New York Staff**

WANG Laboratories, the fast growing U.S. computer group, maintained its recent growth rate in its third quarter ending March 31, reporting a 35 per cent growth in net income to $49.8m.

Dr An Wang, the group's founder and chairman, said that the strong order rate of the first six mooths continued in the latest period in all divisions in terms of geographic spread and product mix. New orders rose 35 per cent to $638.4m and revenues in the latest quarter rose 38 per cent to $543.5m.

Earnings per share totalled 36 cents in the third quarter compared with a year ago figure of 28 cents per share. For the first nine months, Wang earned 99 cents per share, up from 76 cents per share in the comparable period of the previous financial year.

# Australians limit foreign stakes in brokers

By Lachlan Drummond in Sydney

THE AUSTRALIAN Government has imposed tight limits on foreign stakes in stockbrokers, restricting single shareholdings to 15 per cent and the overall foreign ownership level to 40 per cent.

Meanwhile, in a move which will reduce the attractions for outsiders of any domicile to invest in stockbrokers, the Sydney and Melbourne stock exchanges have conceded that trading for shareholder clients will rank behind orders from other clients and that such transactions should be revealed to the regulatory authorities as in-house dealings.

The National Companies and Securities Commission has been arguing against previous proposals from the two dominant exchanges that "Chinese walls" be used to prevent conflicts arising from such shareholder trading. The backing down of the exchanges yesterday should see new business rules fully approved by the end of the month.

The foreign ownership limits spelled out by Mr Paul Keating, the Treasurer, yesterday will preclude any foreign group from gaining direct control of a stockbroker for the moment.

The restrictions are tighter than those generally laid down for non-bank financial institutions.

Mr Chris Corrigan, managing director of BT Australia, the Bankers Trust offshoot—which was billed as a leading contender for a stake in a stockbroker—said the decision was extremely disappointing

Negotiated brokerage rates and the ability to incorporate were only introduced to the Australian broking world this month. Outsiders of any hue are limited to 50 per cent ownership, although after three years this limit will be abandoned.

So far the Elders IXL Group and the National Bank have announced proposals to take stakes in brokers, although as a guide to possible future moves for foreigners the wholly UK-owned Morgan Grenfell Australia has plans to take a stake in a joint company which would in turn own 50 per cent of the Sydney broker, Horden UTZ and Bode. Morgan Grenfell had initially been looking to owning half of the joint company, although under the regulations announced yesterday this stake would have to be almost halved,

The ownership percentages fixed yesterday conform with the existing levels for determining whether a company is foreign.

It would appear that individual members of international securities trading groups such as those formed by Hambro, Societe Generale and Strauss, Turnbull and Company could under separate holdings obtain 40 per cent of a local broker—at the risk, however, of breaching the spirit of the shareholding limits.

# Nedbank lifts profits and dividend for the first half

BY OUR JOHANNESBURG CORRESPONDENT

NEDBANK, South Africa's third largest banking group, increased interim, after-tax disclosed profits to R50.4m ($40.4m) in the six months ended March. In the corresponding period of 1983 disclosed profits were R44.5m and in the financial year ended September 1983 the disclosed profits were R121.6m.

There is generally a disparity between first and second half figures, partly because of an underlying seasonality in the bank's operations and partly due to normal conservatism in the stating of interim results. The bank does not disclose pre-tax profits.

Mr Rob Abrahamsen, the chief executive, said economic conditions put pressure on interest rates in the past six months. He added that despite two relaxations by the Reserve Bank (central bank) in the commercial banks' liquid asset ratio requirements there was continued pressure on lending margins.

Towards the end of the half year it also became apparent that the growth rate of lending volumes had started to slow, Mr Abrahamsen said. It now seemed unlikely that the start of a new economic upswing will occur during Nedbank's current financial year.

At the end of March the banking group had total assets of R11.19bn, against R10.59bn at the end of September 1983. Surplus capital funds increased to R224m in the six months to end-March from R131m at end-September. Mr Abrahamsen believed that this would prove beneficial when the next economic upswing takes place, as it would allow the bank to expand its lending base at a much faster rate than it creates new capital.

The interim dividend has been increased to 21 cents a share from 17.5 cents. First-half per share earnings rose to 56.1 cents from 50.2 cents. The directors say they intend narrowing the disparity between interim and final dividends. In the year ended September 1983 earnings were 137.1 cents a share and the total dividend was 68 cents.

Since the end of the first half, Nedbank has sold its 40.7 per cent interest in Sage, an investment holding company. Profits from the sale are to be transferred to inner reserves.

# Yen-linked bonds attract issuers

BY YOKO SHIBATA IN TOKYO

DESPITE the much heralded easing of issuing terms for Euroyen bonds for Japanese companies, dollar denominated yen-linked bonds are proving to be much more attractive. The criteria for issuing both kinds of bonds was eased as from April 1.

Euroyen bonds are considered yen bonds by the tax authorities and therefore subject to a 20 per cent withholding tax on interest payments to investors. Tha dollar denominated yen-linked bonds can take full advantage on the tax exemption given to foreign currency denominated issues.

Toppan Printing, Japan's leading printing company, will probably be the first to issue a yen-linked convertible—it has plans to raise about Y20bn ($88.9m) in May. Chubu Electric Power is also preparing to make Y10bn yen-linked straight bond issua in May. Issues from three other electric power utility companies eare said to be in the pipeline.

The dollar denominated bonds are attractive as the issuer is allowed to convert tha proceeds into yen under a fixed yen-dollar exchange rate agreed at tha time of making the issue. Since interest payments are made to investors in yen the company is insulated from exchange risks.

Overseas investors in yen-linked bonds will have the edvantage of receiving higher interest payments as a result of the yen's higher value against the dollar compared with the fixed rate agreed for the issue.

Yen-linked bonds have previously been allowed only for government organisations. The one exception to this was a private placement by retailer Ito-Yokado in July 1980 in Kuwait. With the easing of restrictions on such bonds some 108 Japanese companies will now be able to make convertible issues.

# Payment resumed at MPH

BY WONG SULONG IN KUALA LUMPUR

MULTI-PURPOSE HOLDINGS (MPH), the major investment group controlled by the Malaysian Chinese Association, a member of the ruling coalition, has reported a 118 per cent rise in pre-tax earnings for 1983 and is resuming dividends after two years.

Pre-tax profits rose to nearly 48m ringgit (US$21m) from 22m ringgit in 1982, on turnover which rose by 62 per cent to 508m ringgit.

The sharp rise is due to good performances by the group's plantation, property, finance and banking divisions — although its trading activities were sluggish.

MPH is paying a dividend of 2.5 cents, and said it expects a "better performance" in 1984, with the promise of an interim dividend of 2.5 cents.

Although, MPH has grown within the past eight years from a paid-up of 90m ringgit to 380m ringgit, and net assets now exceed 2bn ringgit, it has only ever paid one dividend—five cents in 1981.

# Sun Hung Kai out of the red

HONG KONG — Group net profits after tax and minority interests but before extraordinary items at Sun Hung Kai and Co totalled HK$23.15m (US$2.9m) in 1983, compared with a net loss of HK$177.46m in 1982.

The company was formed in August 1983 as a result of a merger of Sun Hung Kai Securities and Sun Hung Kai Bank. Reuter.

# Japanese to invest in NW Shelf

TOKYO — Mitsui and Company and Mitsubishi Corporation are expected to invest $1.2bn in Australia's Northwest Shelf liquefied natural gas (LNG) deevlopment project, a Mitsui executive said yesterday. A final decision on the matter was near, he added.

Woodside, which has a 50 per cent share in the project, approached Mitsui and Mitsubishi in late 1982 to invest funds equivalent to a sixth share in the development, which is to supply LNG to Japan from 1989 at the rate of 5.8m tons a year.

The other partners in tha Northwest Shelf LNG project are Shell Development Australia, BP Australia, BHP Petroleum and California Asiatic Oil.

Kyodo

# INTERNATIONAL COMPANIES and FINANCE

## Rockwell registers record earnings in first quarter

BY TERRY DODSWORTH IN NEW YORK

THE CONTINUING strong growth in the U.S. automative, electronics and aerospace markets propelled Rockwell International of Pittsburgh to record earnings of $132.7m in its second quarter to March.

The result, the equivalent of 86 cents a share, compares with earnings of $100.3m, or 65 cents a share, in 1983, and was achieved on a sales growth of 16 per cent from $2bn to $2.3bn.

The turnaround in the automotive sector was particularly marked, with operating profits rising from $20.5m a year ago to $69.9m. Higher levels of activity were reflected both in the increased interest charge, up from $6.5m to $10.8m, and the rise in the total backlog from $8bn to $10.7bn.

Northrop, the defence, aerospace and electronics group, reported an even larger jump in first quarter earnings from $7.3m, or 48 cents e share, to $31m, or $2.03 a share.

The company was hard hit last year by problems with its research programme on the F-20 aircraft. This year, sales have risen from $730.2m to $814.9m, while its order backlog has leaped from $2.87bn to $3.45bn.

It added that expenditure on its Tiger Shark aircraft had fallen from $43m to $36.7m.

Martin Marietta, another leading aerospace and missile systems company, reported an 80 per cent increase in net profits from $13.8m, or 40 cents a share, to $24.8m, or 64 cents a share, with per share earnings affected by the increase in issued shares from 27m to 34.5m.

Sales rose to $1.1bn, from $801m.

## Club Med plans U.S. quote for offshoot

By Paul Betts in Paris

CLUB MEDITERRANEE, the French holiday operator, may list a new subsidiary on the New York stock exchange.

M Gilbert Trigano, chairman of the French group, said his company was planning to regroup all its interests and operations outside Europe and Africa into a new subsidiary called Club Med Inc. Some 20 per cent of the company may be eventually offered for sale to U.S. investors.

The move is designed to strengthen the French group's development in the American and Far East Asian markets and eventually give it access to the U.S. financial markets.

M Trigano described the plan as a "logical development" since it was the strategy of the Club Med group to implant itself directly in its main markets.

The new subsidiary will combine the Club's interests and activities in the North American, Caribbean, Mexican, Pacific and Far East Asian markets. These account for about one third of group operations.

After obtaining the necessary approval from the French authorities to set up the subsidiary, M Trigano said he would seek the necessary approvals from the U.S. authorities to list the subsidiary on the New York stock market.

Club Med increased group profits by 22 per cent to FFr 212.6m ($26.2m) last year on sales nearly 14 per cent higher at FFr 4.5bn. M Trigano said this week that the latest winter season had been good.

Access to the U.S. financial markets and the possibility to raise fresh equity capital would help speed up Club Med's development in the American and Pacific market at a time when the French group wants to hold down borrowing costs.

## Electrolux confirms talks with Zanussi

BY DAVID BROWN AND ALAN FRIEDMAN

ELECTROLUX OF Sweden confirmed yesterday that it was holding co-operation talks with Zanussi, but denied Press reports that it had reached agreement to take a controlling interest in the family-owned Italian white goods producer.

According to Italian Press reports, the Zanussi family had agreed to sell its 90 per cent shareholding in the financially troubled group, which is presently being restructured after heavy losses. Such a deal would give Electrolux a dominant hold on the European white goods industry, increasing its market share to as much as 30 per cent.

Electrolux hsd total sales of SKr 32.2bn, and pre-tax earnings of SKr 1.7bn ($216.8m) last year. It presently claims a European white goods market share of some 15 per cent, based mainly in Scandinavia, France and Switzerland.

Mr Anders Scharp, Electrolux's chief executive, said recently that his group was aggressively looking for new acquisitions. "Our strategy is to buy market shares," he said. Electrolux is discussing domestic appliance co-operation with TI of the UK.

Last September, Zanussi said it expected to make another big loss in 1983, following its L130bn ($79.6m) 1982 deficit on sales of L1.57bn. Zanussi, which recently sold all but one of the subsidiaries in activities it considered peripheral, is facing serious problem in its electronic products division.

Total debt is believed to be approaching L1,000bn and the company is embarking upon a recovery plan together with the Government and trade union co-operation.

But the Zanussi family is believed to be reluctant to inject additional family capital into the business.

## Republic Steel profitable in March

By Our New York Staff

REPUBLIC STEEL, the Cleveland-based company which is planning to merge with LTV Corporation, achieved a "modest profitable result" in March, but nevertheless reported an increased first quarter loss of $36.7m or $2.15 a share against $34.8m or $2.24 a year ago.

A substantial part of the increase, bowever, was due to a decline in the amount of exceptional and extraordinary gains from a year ago.

Although this year's quarter includes a pre-tax benefit of $4m from the rednction of a 1983 fourth quarter provision, the comparable period last year contained a $16.4m gain from an accounting change. In addition, a tax credit this year of 1.1m compared with a credit of $48m a year ago.

The figures show a steady improvement in the U.S. steel market, with sales up by 44 per cent from $574.5m to $827.5m.

## Security Pacific acquires another W. German bank

BY OUR FRANKFURT STAFF

SECURITY PACIFIC, the U.S. financial group, hs made its second bank take-over in West Germany within two months hy buying up the small Wifag bank.

The take-overs are part of the U.S. group's efforts to build up consumer credit business abrosd.

It has taken over Wifag, which has a capital base of DM 14m and net assets of DM 234m ($88.6m), from the Badische Kommunale Landesbank (Bakola), the regional publicly-owned bank. In February it bought Bankhaus Bohl, with capital of DM 24m and assets of about DM 300m, from the Royal Bank of Canada.

Security Pacific said in Frankfurt yesterday that the take-overs gave it retail consumer finance outlets at 14 locations in West Germany.

Bakola said that Wifag, which it took over in 1979, was a profitable operation.

Security Pacific, with assets of $40bn, is based on the U.S. West Coast, but also has consumer finance subsidiaries in the UK, Spain, Hong Kong and Japan.

Its main banking affiliate, Security Pacific National Bank, has operated a branch in Frankfurt for 12 years.

## Hachette's magazine side prompts further progress

BY DAVID HOUSEGO IN PARIS

HACHETTE, the large French publishing group which moved out of the red two years ago, continued last year to show a strong profits progress.

Net consolidated earnings expanded in 1983 by 20 per cent to about FFr 320m ($39.4m). This is on the basis of an estimated 10 per cent increase in turnover to FFr 9.5bn.

The upturn is allowing the dividend to be increased to FFr 16.50 a share from the FFr 11 paid for 1982.

The main source of profits growth has been the magazine interests which include Elle, Tele 7 Jours and Le Journal de Dimanche. Hachette extended its press interests last year by taking a 34 per cent stake in the popular daily Le Parisie Libere.

Parent company profits after capital gains more than doubled to FFr 250m from FFr 103.5m. This was after full payment of taxes. In 1982 the group still benefited from tax credits as a result of previous losses.

## Triumph-Adler sells stake to Japanese

BY JOHN DAVIES IN FRANKFURT

TRIUMPH-ADLER, the West German office equipment company, is putting its partnership with Konishiroku Photo Industry of Japan on to a firmer footing through its decision to sell the Japanese a 34 per cent stake in a U.S. subsidiary.

The West German company, which is 98 per cent-owned by the Volkswagen car concern, will receive about $20m for the holding in Royal Business Machines.

The U.S. subsidiary has sales revenue of about $300m a year, most of which comes from the sale of photo-copiers imported from Konishiroku.

Although Triumph-Adler and Konishiroku have co-operated since 1971 in the U.S., the share deal provides the basis for a further long-term relationship.

The two partners plan efforts to expand Konishiroku's market share in the U.S. However, Triumph-Adler said yesterday that it had no plans to import Konishiroku photocopiers into Europe, where the West German company markets other imported machines.

The U.S. market is the biggest source of revenue for Triumph-Adler, contributing some 60 per cent of its world sales of more than DM 2bn ($757.5m) last year.

The company puts its total U.S. sales, through Royal Business Machines and other operations, at about $500m a year.

Royal Business Machines has been operating at a profit, and the Triumph-Adler group as a whole expects to return to profitability this year.

## More funds for Peugeot unit

THE FRENCH private Peugeot car group (PSA) plans to boost the capital of its large Automobiles Peugeot subsidiary by FFr 432m ($53m) to help cover the unit's financial and investment cash needs, writes Paul Betts in Paris.

Automobiles Peugeot is the PSA subsidiary incorporating the Peugeot and Talbot car marques. PSA also owns Citroen, the French car company now in the middle of a major labour dispute over plans to reduce Citroen's workforce by 6,000 people.

The capital injection will increase the subsidiary's capital from FFr 1.4bn to FFr 1.9bn and will be a share issue subscribed by the parent company.

An extraordinary meeting of Automobiles Peugeot next month will also propose the eventual increase of the subsidiary's share capital up to FFr 3bn in one or several tranches.

## RVI slides deeper in red

BY OUR PARIS STAFF

RVI the industrial vehicles subsidiary of the state-owned French Renault car group, report a loss of FFr 1.95bn ($240m) last year, compared with a loss of FFr 746m in 1982.

The size of the 1983 loss was in conformity with general expectations. M Pierre Semerena, president, said yesterday that 1983 was a "black year" and this year will also be "sad."

But M Semerena said RVI continued to enjoy the support of the French Government and of its parent company, which do not want to see the French truck industry disappear.

Efforts to improve sales and rednce the workforce of the company were starting to bear fruits although not as yet on the company's financial situation.

## Volvo sells offshore stake for $66m

By Our Stockholm Staff

VOLVO, the Swedish motor and industrial group, has sold its 24.5 per cent stake in Consafe, the world's largest owner of offshore accommodation platforms and one of Sweden's fastest-growing companies, for aome SKr 520m ($66m).

Both the Volvo and Consafe management emphasised that the move had been planned since 1982. "Volvo made the strategic decision to concentrate in oil and gas exploration," said a Volvo official. Volvo Energy, the group's energy subsidiary, sold most of its other offshore technology boldings earlier.

The timing of the move was related to Consafe's entry on to the Stockholm Stock Exchange last November. Consafe chose a team of huyers including institutional investors as well as a large private Swedish industrial group with other offshore holdings, which have "e long-term interest" in the group, said Mr Lars Larsson, Consafe's chief executive.

The majority of Consafe its founder, Mr Christer Eric shares, 55 per cent, are held hy its founder, Mr Christer Ericsson.

The gronp's 1983 pre-tax profits more than doubled to SKr 401m. Fleet-use rates are expected to decline somewhat this year from the present 85 per cent, but the group predicts it will maintain earnings at "approximately the same level."

## Suez Finance on target

By Our Paris Staff

COMPAGNIE Financiere de Suez, the nationalised French financial group, has reported a 27 per cent increase in net profits last year to FFr 318m ($39m) from FFr 249.8m in 1982.

The net profits include operating earnings of FFr 203.9m in 1983 and FFr 114.1m in capital gains. In 1982, operating earnings totalled FFr 185.3m and capital gains amounted to FFr 64.5m.









VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS
PER 17 APRIL 1984

| | INDEX Today | Last week | % Year's High | Year's Low |
|---|---|---|---|---|
| US$ Eurobonds | 12.35 | 12.39 | 12.51 | 11.62 |
| DM (Foreign Bond Issues) | 7.34 | 7.26 | 7.46 | 7.14 |
| HLF (Bearer Notes) | 7.64 | 7.66 | 8.11 | 7.59 |
| Can$ Eurobonds | 13.61 | 13.68 | 13.91 | 12.60 |

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# INTERNATIONAL COMPANIES & FINANCE

## Mexican private sector takes wary view of state's divestiture plans

BY DAVID GARDNER IN MEXICO CITY

*THIS ADMINISTRATION is treating the private sector extremely well, but the question of confidence is still open because this treatment is not theirs by right.*

Thus a leading private sector economist on the eve of the Mexican Government's announcement last month that it was returning to private hands the shares in companies which were swept into the public sector when the private banks which owned them were expropriated in September, 1982.

The bank expropriation took place at the height of Mexico's liquidity crisis and was a desperate attempt by the discredited outgoing administration of Sr Jose Lopez Portillo to halt the exodus of private capital and to stave off financial collapse.

The pledge to return the banks' holdings was made at the time of the takeover, and its redemption by the 15-month old government of President Miguel de la Madrid is widely *seen as the key step towards* restoring the battered confidence of Mexico's private businessmen.

The privatisation, involving 339 of the 483 companies, is the biggest divestiture of state assets in Latin America since the Pinochet regime in Chile sold off some 400 public companies after the 1973 coup against the left-wing Allende Government.

But it is by no means out of scale with the task faced by the de la Madrid Government as it seeks to demonstrate its commitment to a mixed economy for Mexico. Over the last two years, private investment has fallen by 45 per cent, and Mexicans continue to demonstrate their suspicion of state encroachment by keeping some $20bn on deposit abroad and an estimated $25bn in foreign real estate.

The Government's decision to override the hostility of the Left and the trade unions and to hand back the bank-held assets got a cautious welcome from private business organisations here. The Government's hope is that the hand-over will be seen as the start of an attempt to draw lines between the *public and private sectors,* and that Mexicans and foreign investors will be encouraged to provide badly needed investment funds no longer available from international banks.

The Left, particularly the Nationalist Left inside the ruling Institutional Revolutionary Party (PRI) and the largely PRI-controlled unions, had been pushing for the retention of holdings in "strategic" sectors, primarily in the food, mining and petrochemical industries.

But the Government is to return not only the industrial assets but the financial services subsidiaries of the banks as well. The banks will retain the 40 smaller banks they own and those subsidiaries which are part of their basic infrastructure.

The decision to return the financial subsidiaries—which include brokerage houses, insurance leasing and bonding companies, and mutual funds—opens up the prospect of a parallel capital market developing in competition with the state banks. This likelihood has been quickly seized on by the Left, whose leading economists, based at Mexico's National Autonomous University (UNAM), argue that the nationalised banks will be reduced to "simple intermediaries" with no motor role in the country's development.

The Left and the unions are also unhappy at the Government's decision to give first bite of the cherry to former bank shareholders—to "the same people who ran billions over the border to Texas," one economist remarks. From the Government's view, at least half the point of the chosen method of divestiture is to try and tempt back some of those billions.

The divestiture process itself, which will take at least six months to complete, is sufficiently complex and open to interpretation for almost no two people to agree on how it will work in practice.

President Miguel de la Madrid

The main instrument for the sell-off will be the bank indemnity bonds (BIBS), issued as compensation to shareholders in the expropriated banks, which can now be exchanged for company shares. The shareholders in 32 banks have been compensated, to a value of nearly pesos 100bn (U.S.$560m), plus pesos 32bn in interest paid out at the beginning of last month. A further 18 banks' shareholders are to be compensated in coming weeks.

The method used to calculate compensation for the bank shares taken over—the mean between net worth on the eve of nationalisation and the average market value over the previous 12 months plus accrued interest—gives the bank-held assets a value of pesos 65.6bn for the 483 companies involved and the 339 companies being sold off a value of pesos 41bn, according to the Treasury. But the Government is allowing itself a wide margin of discretion in valuing the assets and these could end up looking like the most notional of figures.

There are four main stages in the privatisation:

- For the first two months, due to begin mid-May, bondholders will have the first option on those shares held by the bank in which they held their shares;
- Then, shareholders in the companies themselves will, for a period of one month, be able to buy shares equivalent to their existing stakes;
- For a further month, all bondholders will have equal access to any remaining bank-held assets;
- Finally, anything left will be offered to the public and the trade unions, probably through the stock market, though the wording of the decree leaves this open.

There are important exceptions to this basic scheme. Where banks as a whole held less than 15 per cent in a company, some of these assets will be sold straight on to the stock exchange within two months, while others will be sold as part of packages with other companies, in a clear attempt to mix in the wheat with the chaff. For example, someone with his eye on the Mexican joint venture of Anderson Clayton, the Houston-based food company, with Bancomer, the largest Mexican bank, which has just over 30 per cent of the equity, might find himself obliged to take on shares in Cerveceria Moctezuma, the financially crippled brewery, in which 19 banks hold some 8.5 per cent.

The package scheme, which had divided the cabinet, is intended both to ensure the future of weaker companies and—in the context of tight budgetary constraints—to avoid carrying the compensation costs for assets remaining on the shelf.

Further exceptions concern the financial companies. With the exception of the mutual funds, which will go on to the stock exchange at market prices, no procedure has yet been laid down. Treasury officials have stressed privately that the nationalised banks would have the right to set up new financial services subsidiaries of their own, and the hold-up may be in order to give them time to decide whether to do so.

One side effect of the divestiture has been to undermine the common assumption that the banks held the commanding heights of Mexican industry. Only in two cases do the banks have a majority stake in listed industrial companies, only in seven cases more than 20 per cent, and in another 15 cases more than 10 per cent. Furthermore, none of these companies leads its market. To take one example, the two most important mining interests being sold off—in Frisco (70.2 per cent of the shares) and Industrias Luismin (34 per cent)—trail substantially behind the larger mining companies Grupo Mexico and Industrias Penoles, the world's biggest silver producer.

In the case of unlisted companies, there is no clear pattern of bank dominance. In fact, with the exception of tourism, where Banamex, the country's second bank, built up substantial interests, there is hardly any pattern at all.

What flows from this is that the takeover of the banks had a less dramatic effect on the structure of Mexican industry than had been thought. Second, the separation of these companies from the banks by restoring them to their former owners should not affect their ability to survive, as it might have done had their dependence been greater.

The cases where this might not hold true concern those banks where compensation has yet to be decided, and which were owned by industrial groups rather than the other way round. Some of these groups used their banks for easy access to credit, and Treasury officials confirm that in at least one case, there is likely to be nothing for which to compensate.

The Government has come in for a lot of criticism both for the hold-ups in fully compensating the banks' shareholders and for delays in presenting the sell-off scheme. Given the complexities of the challenge, both political and structural, this criticism is almost certainly misplaced. The Chilean sell-off for example, in wholly different political conditions, was hastily conducted by people whose main concerns appeared to be ideological. It proved a disaster, with the majority of what was sold off back in the hands of the state by default and several of the interim owners in gaol.

But the success of the scheme is not guaranteed. It will depend on the extent to which buyers for the companies come forward, and on whether these same buyers are prepared to use the financial companies to generate the seed capital for further industrial development.

But both the last two Mexican administrations have ended with lurches into populism. President Luis Echeverria ended his six-year term in 1976 by expropriating 100,000 hectares of prime farming land in Sonora, in a demagogic bid to secure his own post-presidential future and to head off the growing agitation for land throughout North west Mexico. President Lopez Portillo's expropriation of the banks appeared to many to be an attempt to divert the blame for Mexico's financial crisis towards the private banks.

The suspicion remains, therefore, that Mexico's all-powerful presidents have a tendency to convert the regime's populist rhetoric into something like reality when the chips are down. The ultimate success of the scheme, therefore, will depend on the extent to which it can dispel this suspicion and get Mexican businessmen over the profound psychological shock of the bank takeover.

## North American Quarterly Results

**AMERICAN HOME PRODUCTS**
Drugs, foods, household products

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 1.28bn | 1.22bn |
| Net profits | 172.8m | 157.1m |
| Net per share | 1.11 | 1.00 |

**APPLE COMPUTER**
Personal computers

| Second quarter | 1983-84 $ | 1982-83 $ |
|---|---|---|
| Revenue | 300.1m | 228m |
| Net profits | 9.1m | 23.9m |
| Net per share | 0.15 | 0.40 |
| Six months | | |
| Revenue | 616m | 442m |
| Net profits | 15m | 47.4m |
| Net per share | 0.25 | 0.80 |

**BUCYRUS-ERIE**
Mining construction machinery

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 107.9m | 144.9m |
| Net profits | 4.0m | 2.9m |
| Net per share | 0.20 | 0.14 |

**BURROUGHS**
Business machines

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 1.1bn | 1bn |
| Net profits | 43m | 34.3m |
| Net per share | 0.95 | 0.70 |

**CHAMPION INTERNATIONAL**
Lumber, paper and packaging

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 1.15bn | 1.00bn |
| Net profits | 23.1m | 8.26m |
| Net per share | 0.46 | 0.09 |

**COMMUNICATION SATELLITE**
Satellite systems

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 105.2m | 106.4m |
| Net profits | 12.4m | 12.6m |
| Net per share | 0.68 | 0.74 |

**CONTINENTAL GROUP**
Metal cans, forest products, insurance

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 1.06bn | 1.23bn |
| Net profits | 28.0m | 20.0m |
| Net per share | 0.65 | 0.41 |

**CONTROL DATA**
Computers

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 1.19bn | 1.04bn |
| Net profits | 31.7m | 33.5m |
| Net per share | 0.82 | 0.88 |

**CPC INTERNATIONAL**
Groceries and corn milling

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 1.06bn | 966m |
| Net profits | 35m | 35.5m |
| Net per share | 0.72 | 0.74 |

**CROWN ZELLERBACH**
Forest products

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 713m | 617m |
| Net profits | 21.2m | 20.4m |
| Net per share | 0.84 | 0.84 |

**DAON DEVELOPMENT**
Property

| Year | 1983 C$ | 1982 C$ |
|---|---|---|
| Revenue | 423.1m | 321.6m |
| Net loss | 96.7m | 85.6m |

**DOVER**
Elevators, industrial eqpt.

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 300.8m | 245.2m |
| Net profits | 24.2m | 18.3m |
| Net per share | 0.68 | 0.52 |

**EMHART**
Machinery, hardware, chemicals

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 460.5m | 430.7m |
| Net profits | 21.5m | 18.2m |
| Net per share | 0.85 | 0.79 |

**ENSERCH**
Oil and gas, engineering

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 1.1bn | 891.8m |
| Net profits | 55.4m | 42.8m |
| Net per share | 0.87 | 0.73 |

**E-SYSTEMS**
Electrics equipment

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 192.8m | 200.6m |
| Net profits | 15.8m | 11.2m |
| Net per share | 0.52 | 0.37 |

**FEDERAL NATIONAL MORTGAGE**
Government-sponsored mortgage lender

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | — | — |
| Net profits | 14.8m | 15.0m |
| Net per share | 0.22 | 0.22 |

**FORT HOWARD PAPER**
Paper towels

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 306.3m | 133.3m |
| Net profits | 27.8m | 33.5m |
| Net per share | 0.94 | 0.88 |

**FRUEHAUF**
Truck trailers, auto parts

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 660.3m | 460.2m |
| Net profits | 17.5m | *18.2m |
| Net per share | 1.32 | *1.47 |

*Loss

**GEORGIA-PACIFIC**
Plywood, pulp and paper

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 1.83bn | 1.42bn |
| Net profits | 51.0m | 30.0m |
| Net per share | 0.47 | 0.27 |

**W.W. GRAINGER**
Electric motors

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 243.8m | 187.0m |
| Net profits | 14.1m | 8.8m |
| Net per share | 0.87 | 0.59 |

**GREAT WESTERN FINANCIAL**
Savings and loans

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 629.9m | 435.9m |
| Net profits | 25.1m | 11.8m |
| Net per share | 0.71 | 0.33 |

**G. HEILEMAN BREWING**
Fourth largest U.S. brewer

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 268.7m | 236.3m |
| Net profits | 10.3m | 8.5m |
| Net per share | 0.39 | 0.32 |

**HILTON HOTELS**
Luxury hotels

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 164m | 150.3m |
| Net profits | 19.1m | 14.4m |
| Net per share | 0.71 | 0.54 |

**IC INDUSTRIES**
Consumer products, railway

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 917.4m | 847.3m |
| Net profits | 13.8m | 6.6m |
| Net per share | 0.27 | 0.14 |

**MERCK**
Ethical drugs

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 838.0m | 770.8m |
| Net profits | 125m | 113.7m |
| Net per share | 1.69 | 1.54 |

**OLIN**
Chemicals, metals, paper

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 526.5m | 473.1m |
| Net profits | 27.2m | 22.5m |
| Net per share | 1.14 | 0.95 |

**PAINE WEBBER**
Securities dealer

| Second quarter | 1983-84 $ | 1982-83 $ |
|---|---|---|
| Revenue | 363.2m | 387.9m |
| Net profits | 5.1m | 24.1m |
| Net per share | 0.30 | 1.46 |
| Six months | | |
| Revenue | 758.4m | 765.1m |
| Net profits | 14.2m | 54.4m |
| Net per share | 0.86 | 3.37 |

**PFIZER**
Pharmaceuticals

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 918.8m | 910.4m |
| Net profits | 127.7m | 111.2m |
| Net per share | 0.77 | 0.68 |

**PUBLIC SERVICE E&G**
Electric and gas utility

| First quarter | 1984 $ | 1983 $ |
|---|---|---|
| Revenue | 1.27bn | 1.16bn |
| Net profits | 118.9m | 101.3m |
| Net per share | 0.97 | 0.92 |

**RALSTON PURINA**
Agricultural products, restaurants

| Second quarter | 1983-84 $ | 1982-83 $ |
|---|---|---|
| Revenue | 1.28bn | 1.28bn |
| Net profits | 67.1m | 64.2m |
| Net per share | 0.73 | 0.62 |
| Six months | | |
| Revenue | 2.52bn | 2.48bn |
| Net profits | 147.9m | 139.7m |
| Net per share | 1.59 | 1.37 |

## JOBS COLUMN

# How canny candidates cope with interviews

BY MICHAEL DIXON

GIVEN THE tendency even among recruiters to follow fashion, readers undergoing job interviews are increasingly likely to be asked nine particular questions. They result from a survey of interviews by the U.S. Employment Management Association, and have lately been passed on to UK recruiters by Personnel Management magazine. The questions are:

1—Why are you interested in this position, and — if the post is not being filled by hush-hush executive-search methods—why did you respond to our advertisement?

2—Tell me about your current and previous bosses: what kind of people are they?

3—Has your job performance even been appraised, and if so how were you assessed: what were the pluses and minuses?

4—What are the most satisfying, and the most frustrating aspects of your present job?

5—Describe a time when you felt ineffective: what did you do about it, and what was the outcome?

6—Can you describe in the same way a time when you felt particularly effective?

7—Were your assignments handled individually or were they a team effort?

8—What are the most important factors you require in a job: how should it be structured to provide you with satisfaction?

9—Most people have some long-range goals: where do you want to be in five to ten years time?

While knowing some of the likely questions in advance can be useful to someone who is going to be interviewed, it is not the same thing as knowing how best to answer them. And that is the truly important knowledge especially for candidates who share this column's view on the proper objective of being interviewed.

Many people mistakenly assume that the initial application should be aimed at winning the job on offer and that the interview is the right occasion for candidates to make up their mind, there and then, whether they want the post. By contrast the proper purpose of the initial application is to win, not the job, but only an interview for it. The best aim during the interview is to secure the offer of the job. Only then do canny candidates decide whether or not they want it.

When the object is to win the offer, how best to answer questions like those listed is probably the most crucial problem. It is also an exceedingly knotty one. The only guidance which seems certain to be correct in every case concerns how *not* to reply to them. The canny candidate is no more likely to answer such questions openly and straightforwardly than the typical interviewer is to ask them without any ulterior motives.

People being interviewed do well to remember that the person on the other side of the desk is assessing them by two different yardsticks. One is "suitability," in terms of technical competence and suchlike, to do the work entailed in the job. The other is "acceptability" to the employing organisation —which is something else entirely.

Of the two, acceptability tends to be the more decisive even at the lowest level and becomes increasingly critical with the seniority of the post. Every one of the nine listed questions, for instance, has more to do with acceptability than suitability. They need to be answered accordingly.

What constitutes acceptability will of course vary with the organisation, and particularly with its culture and effective political leadership. Since the character of the latter, at least, is sometimes not known to people who have been working for the organisation for decades, such things are not easy for an outsider to discover. But canny candidates do their utmost to find out.

The most dedicated often go beyond seeking documentary information on an unfamiliar concern which has asked them for interview, and even beyond casting around for friends-of-friends who are or have been on its payroll.

Further inquiries can be pursued by standing discreetly outside the appropriate premises around knocking-off time and tailing selected potential colleagues to see whether they call at a pub on the way home. If so, the candidate can go in, wait for an apt moment, then introduce himself or herself as someone being considered for a job with the organisation and ask if the selected employees would say what it's like to work there.

They usually will, I'm told. But before asking any really probing questions such private-eye candidates do best to make sure that they are not talking to the person who will be doing the interview or to any close associate.

Lacking inside information on the relevant politics and culture, the candidate probably does best to go for the so-called safe profile. That means getting across to the interviewer as someone sure to conform with prevailing customs, and do well whatever is required without being a threat to established colleagues, especially immediate superiors and those in the personnel department

To that end, I feel that the nine questions should be answered with the following principles in mind.

One good reason for being interested in a job and which should also be included in lists both of required motivating factors and of longer-term goals is that the organisation in the case knows how to make good use of its people.

Current and previous bosses, like potential future bosses, are always essentially admirable people.

Strengths in performance, satisfactions and feelings of effectiveness result from working smoothly within organisations. On the other hand it is external circumstances that cause weaknesses, frustrations and ineffectiveness, all of which occur in the more distant past and are merely temporary.

Credit for all managerial successes really belongs to a team. You just happened to be leading it, that's all.

## Engineers-plus

TWO JOBS with different multinationals are being offered through John Anderson and Associates (Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ; telephone 021-632 5758, telex JAA 338024). Salary indicators for both are £20,000-£25,000. Since neither group may be identified, the consultant concerned promises to abide by any applicant's request not to be named at this stage to the employer.

John Anderson himself seeks someone with demonstrable commercial ability as well as engineering success in electronics to be general manager of a subsidiary company committed to developing its manufacturing-control systems business in line with the latest technological advances in the field. Base south-west England.

Keith Phillips also wants a commercially-minded engineer to raise competitiveness and profits of a supplier of components mainly for vehicles and aircraft by taking over as engineering director and improving and co-ordinating the design and production activities. Base Midlands.

## Oldie wanted

LAST WEEK'S comments on the problems of highly skilled older executives in getting jobs have prompted Michael Bunbury to offer a three-days-a-week post for someone who has made profits and is strong on finance and in marketing internationally to professional type customers. Pay £15,000-£18,000.

The £750,000-turnover company is near Hemel Hempstead, and the newcomer will be part-time general manager working alongside its technical chief, with Mr Bunbury as chairman and major shareholder. But since he has what I am satisfied are good reasons for not naming the company and some readers might not like to apply unless they could nominate any concern they didn't want to receive their application, we have a problem.

But the cause is good enough to break an 11-year-old rule and invite readers to send inquiries, together with names of companies to which they should not be forwarded, to the Jobs Coloumn. But they won't be passed on for a fortnight because I'm now going on holiday until May 10.

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Please reply in confidence giving concise career and personal details and quoting Ref. ER686/FT to I.D. Tomisson, Executive Selection.

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Please send your c.v. to The Confidential Reply Manager, T.G. Scott & Son Ltd., (ref 794), 30-32 Southampton Street, London WC2E 7HR.

Applications will be forwarded to our client who is dealing with the position direct, therefore any company you do not wish to receive your letter should be listed separately.

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Overseas Development Administration
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Eaglesham Road
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DHAHRAN, SAUDI ARABIA

Two Deputy Chief Accountants required (ACA/FCA) with at least five years' experience, preferably in oil industry. Knowledge of Arabic an asset.

Salary: £19,000-£24,000 p/a tax free, commensurate with qualifications and experience; 36 days annual leave; 4 return tickets a year; free medical/dental care; annual housing allowance equivalent to three months' salary. One-year renewable contract.

Interviews: 26-30 April in London
Telephone: Dr N. A. UTHMAN, 01-823 6960

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## SALES MANAGER—CHEMICALS

A leading Kuwait chemical company wishes to appoint a Sales Manager for its regional office in Kuwait.

Candidates should have a chemistry degree and/or a chemical engineering degree, with 8-10 years' experience in synthetic resins/paints.

The candidate should be willing to be situated in Kuwait, with capability of travelling around the Arabian Gulf. Starting salary will be commensurate with qualifications and experience.

Other benefits will be: furnished accommodation, car, children's education in Kuwait and return economy class air tickets for self and family once a year.

Candidates meeting the above requirements are invited to send, in strict confidence, a resume giving personal details, career history and objectives to:

KUWAIT CHEMICAL MANUFACTURING COMPANY
P.O. Box 26011 Safat, Kuwait
(Attn. Mr Khalid Al Fassam)

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## INTERNATIONAL APPOINTMENTS APPEAR EVERY THURSDAY

RATE £34.50 per single column centimetre

# Owen Owen £1.19m back in profit at year-end

DEPARTMENT STORES group Owen Owen swung from losses of £1.65m in 1982-83 to profits of £1.19m for the 12 months ended January 28 last which reflected improvements in the UK stores' performance and the elimination of the loss-making Canadian business, G. W. Robinson.

Group turnover for the past year totalled £84.96m (£119.31m including Robinson). The 1984 sales reflect exclusion of VAT on both own and lease/concession sales—1983 figures have been adjusted to show direct comparisons.

Sales and profits of Plumb Contracts, which was sold to its management in April last year, are included in the preliminary results. The company contributed sales of £1.2m and profits of £44,000 up to its disposal, compared with £7.9m and £100,000 respectively for the previous 12 months.

Shareholders benefit from the group's improvement. A final dividend of 2.3p (2p) raises their net total by 10 per cent to 3.3p (3p) per 25p share.

Tax accounted for £143,000 (added £81,000) but extraordinary debits were reduced from £2.63m to £174,000.

# Yearling bonds total £24.65m

Yearling bonds totalling £24.65m at 9⅞ per cent, redeemable on April 24 1985, have been issued this week by the following local authorities.

Aylesbury Vale District Council £1m: Bury (Metropolitan District of) £0.25m: Ipswich DC £0.5m: Kingston-upon-Hull DC £1m: Shepway DC £0.5m: Glamorgan (Vale of) Borough Council £0.5m; Hynburn (Borough of) £0.5m: Llanelli (Borough of) £0.25m: Newham (London Borough of) £1.5m: Preseli DC £0.25m: Rochdale Metropolitan Borough Council £0.25m: Rushcliff BC £0.5m: Sedgefield DC £0.5m: Central Regional Council £0.75m: Chesterfield (Borough of) £1m: Lambeth (London Borough of) £1m: Sandwell (Metropolitan Borough of) £1m: Thames Valley Police Authority £0.5m: Lewisham (London Borough of) £2.5m: Northavon DC £0.25m; North Warwickshire BC £0.5m: South Northamptonshire DC £0.25m: South Staffordshire DC £0.5m: Wimborne DC £0.25m: Aberdeen (City of) DC £1m: Cardiff (City of) £1.5m: Coventry (City of) DC £1m: Gordon DC £0.5m: Newcastle-upon-Tyne (City of) £1m: Newport BC £0.5m: Sheffield (City of) £2.65m: South Bedfordshire DC £0.5m.

Also: Shepway DC £0.5m: Cleveland County Council £0.5m. Both bonds are at 9⅞ per cent and are redeemable on October 16 1985.

# UK and German revival boosts RMC to £71.6m

AN OUTSTANDING performance by its concrete and aggregates sector in the UK together with a revival of market conditions in West Germany enabled the *RMC Group to achieve* its best-ever year in 1983.

On the back of a £123.6m rise in turnover to £1.05bn profits at the pre-tax level soared by £26.8m to a record £71.6m with £45.1m, compared with £26.74m, coming in the second six months.

Mr John Camden, group chairman, says the progress achieved also demonstrated the benefits gained by the measures taken to adapt productive capacity to the needs of the market.

From earnings 13.9p higher at 39.5p the final dividend is being increased by 1.4p to 7.9p which raises the total from 10.2p to 12p net per 25p share.

Pre-tax profits included a £3.4m (£1.3m deficit) share of results of related companies and investment income of £0.5m (£0.9m). Net interest charges took £6.4m, against £8.9m in 1982.

A geographical analysis of turnover and operating profits (£74.1m, compared with £54.1m) shows: UK £523m (£453.7m) and £47m (£33.8m), West Germany £294.6m (£270.2m) and £18.1m (£10.9m) and other countries £230.9m (£201m) and £9m (£9.4m). Operating profits were struck after deducting depreciation of £43.3m (£37.7m).

In the UK 1983 was in the main a year of recovery for the construction industry, particularly in respect of private house building and repairs and maintenance. These factors, coupled with road building programmes, enabled the concrete and aggregates companies to achieve a further increase in profits and maintain their position as the major contributor to the overall performance of the group.

The builders' merchants and waste disposal companies continued to make progress.

An increasing demand for DIY and garden centre goods enabled the Great Mills group of superstores to achieve higher profits. The security alarms companies continued their programme of rationalisation and reorganisation following the rapid expansion of activities in 1982. The Thorpe Park operation made further progress in 1983.

Improved trading conditions and the benefits arising from rationalisation helped West German operations to achieve a *substantial* increase in profits.

In Austria the measures taken to improve efficiency, together with a small increase in volumes, led to an improvement in profitability. However, the recession in Belgium continued unabated and group operations were affected by lower volumes and increasing pressure on margins.

Improved profitability was recorded in France against a background of falling activity and continuing lack of business confidence. Here, RMC further strengthened its operations by the acquisition of a majority shareholding in RWK France SA towards the end of 1983.

The jointly owned Spanish company suffered from a depressed economic climate and a reduction in demand, mainly in the Madrid area. In Israel the group maintained both output and profits in sterling terms.

Trading conditions in the Republic of Ireland continued to be unfavourable and despite cost-cutting measures losses were recorded.

In the U.S. an improvement in home building was reflected in an increased demand for construction materials and resulted in an improvement in group profits. During 1983 RMC significantly extended its operations in the U.S. by the acquisition of a 75 per cent interest in Metromont Materials Corporation of Spartanburg, South Carolina.

During 1983 the group continued to expand its operating base by selective expansion in order to achieve real growth and invested £103.1m in businesses, properties, land and equipment. Its strong cash flow, coupled with close financial control, ensured that net borrowings remained within "satisfactory limits." At year-end these represented 20.5 per cent of shareholders' funds.

Through the successful and continued development of the concrete and aggregates activities throughout the world RMC has "created a sound base from which to move forward."

Tax for 1983 accounted for £32.1m (£19.6m). The proposals contained in the Finance Bill are likely to result in an ultimate reduction in the group's UK tax burden.

Minorities accounted for £5.7m (£4.3m), but extraordinary items added £1.3m (took £3.2m) to leave available profits of £35.1m (£17.7m).

CCA pre-tax profits emerged at £57.7m (£29.7m). On the same basis, earnings were 25.8p (9.6p).

See Lex

## HIGHLIGHTS

Lex looks at the progress achieved by BPCC in 1983 and assesses the outlook for further substantial gains from the revitalised British printing industry. The column then turns its attention to the Bank of Scotland rights issue and its provisions for deferred tax and other liabilities arising out of the Budget's effect on leasing. Another result to come in for examination is the full year figures from RMC which is reaping the benefits of operational gearing. Finally Lex takes a parting glance at the successful tender offer of shares in Associated British Ports where the striking price has been pitched at 270p—20p above the minimum.

# ICI in line for further growth

Imperial Chemical Industries was in line for further growth in profits in the "immediate future," Mr John Harvey-Jones, the chairman, told members at the annual meeting.

He said that the company was determined and able to perform, volume was improving, prices were holding and exchange rates remained competitive.

As already known, ICI, the world's fifth largest chemical company, achieved higher taxable profits in 1983 of £619m, against £259m. It is due to announce first quarter results next week.

Mr Harvey-Jones added that the board's intention was to do the very best to fulfil shareholders' expectations for continued improvement.

Now that things were improving, the board intended that shareholders should share in success, he said.

Mr Harvey-Jones pointed out that the more than restored dividend of 24p, against 19p, for 1983 was evidence of the directors' previously stated intention to improve the return to shareholders as soon as earnings permitted.

He said that ICI should be able to look forward to further improvement because he believed it had "the people, the products, the strategy.

When Mr Harvey-Jones visited the U.S. in November last year he said: "We are already moving forward, we have our right foot on the accelerator and the lights are at green—so watch this space."

## Barclays Merchant

Barclays Merchant Bank disclosed 1983 pre-tax profits of £11.4m, up from £8.4m in 1982. After tax profits were £4.9m and retained profits £2.7m. Assets totalled £1.7bn. In the bank's first annual report for public circulation, Mr F. R. Dolling, the chairman, said the performance of the corporate finance division had been specially noteworthy.

ISSUE NEWS

# AB Ports offer raises £52.4m for Government

THE GOVERNMENT has raised £52.38m *through* the *oversubscribed* offer for sale by tender of its remaining 48.5 per cent stake in Associated British Ports.

Schroder Wagg, advisers to the Secretary of State for Transport, settled on a striking price of 270p per share, 20p above the minimum tender price.

The company and its advisers watched the market anxiously on Monday at the FT 30-share index slipped 20 points and ABP's share price slipped 10p to 275p ex-dividend. They feared a repeat of the Cable & Wireless offer by tender before Christmas which flopped after the institutions decided the *market* price was too close to the minimum tender price and stuck with their underwriting commitment.

In the end, demand for ABP shares proved great enough and the application forms came rolling in so that the sale was a little oversubscribed at the minimum tender price.

"It is clearly more than a fixed price offer would have raised and justifies that the tender was right. We felt there was an overhang in the market and decided to let the institutions fight it out among themselves," said Derek Netherton of Schroder Wagg.

Individual investors wanting up to 1,000 shares took the opportunity to tender at the striking price. There were 6,366 successful applications for 4.1m shares after a number of multiple striking price applications were rejected.

The remaining 1,604 applications at or about the striking price have been allocated as follows: 286p or above have been accepted in full; between 281p and 285p, applications have been accepted in respect of 90 per cent of the number of shares applied for; between 278 and 280p—80 per cent have been accepted; and between 270p and 275p—75 per cent have been accepted.

All applications for 100 shares at or above the striking price have been allocated in full. But all tender applications below the striking price have been rejected; the cheques not cashed.

Dealings will commence in partly-paid form today. The shares closed yesterday down 2p at 273p.

See Lex

# A. Fisher £2.5m rights cash call

Albert Fisher, the fruit and vegetable wholesaling group, is calling on its shareholders for an injection of £2.48m of new equity finance by a one-for-four rights issue at 68p a share.

The cash will be used to fund the group's acquisition plans. Under the leadership of Mr Tony Millar, formerly deputy chairman of Mr Michael Ashcroft's Hawley Group, Millar has made a string of small acquisitions with the intention of "establishing a broadly-based food, distribution and service group."

In the half year to the end of February pre-tax profits rose seven fold to £411,000 (£55,000) exceeding the previous full year by £84,000.

The directors are now forecasting a "satisfactory" result for the year. They intend to pay a final dividend of 1p per share making a total of 1.5p for the year—a rise of 50 per cent.

The convertible preference shares will participate in the rights issue on the basis of one new ordinary for every £2.76 of nominal stock.

The issue has been underwritten by Hill Samuel and brokers are Laurie Milbank.

# Birmingham Pallet prospectus

The full prospectus is published today in connection with the placing by Minster Trust of 2.25m shares in Birmingham Pallet Group for 42p each prior to the change of name to Delaney Group.

The placing follows the reverse takeover of Delaney by the loss making Birmingham Pallet. Following the sale of the pallet activities last year and the management buy-out of ERI, a manufacturer of control knobs the business of the enlarged group will be manufacture and retail of traditional-styled furniture and a small property investment business. The latter will not be a significant part of the future business.

In the year to December 1983 Delaney made profits of £712,285 pre-tax. The directors describe the prospects for this year as "good" and expect to pay dividends totalling 2.2p per share. On the basis of the 42p placing price this indicates a 7½ per cent yield and earnings multiple of 6.63 on the historic actual tax multiple. That p/e rises to 11.8 on a 50 per cent tax charge.

Brokers to the company are Laurence Prust.

# R. Smallshaw

Taxable profits at R. Smallshaw (Knitwear) showed some improvement in the second half to finish the year ended 1983 up from £193,405 to £207,518. The company is paying an unchanged final dividend of 1.25p to give a total 1.75p against last year's total of 2.25p which included a second interim in respect of the extended year end.

Tax absorbed less, at £18,750 against £24,107, to leave an attributable profit of £189,068 (£169,298). Earnings per share were up from 6.77p to 7.56p.

# BPCC leaps to £22m and restores dividend

British Printing and Communication Corpn lifted pre-tax profits by £9.67m to a record £22.08m in 1983 and Mr Robert Maxwell, the chairman, is confident that this year the group will "very substantially exceed" this figure.

After three years without a dividend, ordinary shareholders are to receive a net payment of 5p per 25p share—not less than 5p had been forecast last July.

Mr Maxwell reports that in less than three years the group has been fully restored to prosperity and has created the foundation for further rapid growth in sales and profitability.

Turnover for 1983 rose from £192.5m to £230.82m. Operating profits jumped to £31.35m, against £19.81m, and were split between: Printing £22.51m (£14.94m); publishing £5.25m (£2.6m); packaging £2.83m (£2.27m) and property £0.77m (nil).

Pre-tax results included share of associates' profits of £538,000 (£77,000) but were after charging interest of £8.54m (£7.99m) and exceptional debits of £1.27m (£0.52m credits).

During 1983 large numbers of employees were released from the Sun Printers factory, while many staff from the Odhams, Watford, works had to be absorbed therein. Abnormal overtime costs were incurred to protect customers fully against the loss of issues which might have arisen from these changes and these accounted for the major part of exceptional costs.

Tax increased from £1.15m to £4.02m, with the UK tax charge having taken account of the proposals announced in the Budget. There was a £2.8m (£2.51m) group relief payment receivable from Pergamon, minorities took £241,000 (added £14,000), while extraordinary charges rose sharply from £2.2m to £10.99m—of which £10.54m comprised the cost of closure of the Park Royal Radio Times factory, including losses arising in the run down period.

Earnings per share, before extraordinary items, advanced from 11.4p to 16.3p.

Professional valuations of the group's properties, plant and machinery were carried out as at December 31 1983, and resulted in net surpluses of £18.37m after providing for deferred tax thereon. Of this surplus, £6.37m—representing the write back of depreciation previously charged—has been released to revenue reserves. The remaining £12m—representing valuations in excess of cost or previous valuations—has been transferred to revaluation reserve.

The group has concluded three years of major structural change. The massive savings in costs resulting from factory closures, increased efficiencies and improved plant utilisation, are making, and will continue to make, a very substantial contribution to the group's high quality earnings growth, Mr Maxwell states.

At the same time, the massive capital investment programme, more effective marketing and leadership in new computerised type-setting, printing, electronic pre-press and laser-gravure technology, are now being reflected in success in winning new business.

Prospects are also particularly exciting for the group's publishing and specialised information services, Mr Maxwell adds.

BPCC's stake in Central TV has already been highly profitable and the group is expecting rising returns from developing investments in, for example, video technology, data-based publishing and computerised public and private information systems.

These fields, in which the *group is planning to make appropriate* acquisitions in the UK and abroad, will be increasingly important to its planned expansion and future earnings growth.

See Lex

# AMEC expands to £26.1m

In its first full year of trading since *coming* to the Stock Exchange, AMEC, formed to combine the interests of Fairclough Construction and William Press groups, reports pre-tax profit of £26.1m for 1983 against £16.5m.

Turnover was £715.3m (£283.5m). The operating results include those of the William Press Group for 1983 only. The group was acquired on December 31 1982.

Taxation took £8.1m (£5.7m) and there was a deferred tax adjustment charge of £2.4m (nil) arising from proposed Budget changes.

There was an extraordinary charge of £1.4m (£2.9m) arising from the cost of rationalising Fairclough and Press less related tax credit.

A final dividend of 6.5p makes 10p for the year (9p). Earnings per 50p share were 27.9p (24.6p).

Sir Oswald Davies, chairman, says there is an excellent forward workload, the company's strong cash position has been maintained and its international activities have been co-ordinated.

## ● comment

There is not much chance now of *discovering how Press performed* in its first year of consolidation within Amec and probably little point in disentangling a fully integrated group other than to note the quantum increase in turnover, a £3.9m cut in net interest receivable as a consequence of servicing Press loans and a £1.4m net rationalisation charge which has been very heavily shielded by tax credits. The £2.4m deferred tax top up adjusts for the Budget changes in capital allowances and merely emphasises the disproportionate rate of growth between taxable profits and earnings per share. For all that, liquidity remains good, with some £23m on deposit, and the forward order book provides a full loading until well into 1985. And, despite a 7p rise to 232p, the shares are conservatively rated on a p/e of just over 8 on an actual rate of tax while the yield is more than 9 per cent, which allows little or nothing for Fairclough's consistent track record and its determination to make the best of what is still a good complementary merger.

# Subsidiaries peg Samuelson rise

ALTHOUGH its three main divisions some ground, pre-tax profits at Samuelson Group advanced from £410,000 to £532,000 in the six months to September 30 1983.

The directors say that, as previously indicated, Samcine Sales suffered severely from the cut-back in spending on film and television equipment in the aftermath of setting-up ITV's Channel Four.

*Samuelson Lighting* also encountered difficult trading conditions. Had it not been for the lower profits from these two subsidiaries, and a loss arising in the video equipment rental company, Samuelson Video, group profits for the opening half would have been some £200,000 greater than those now reported.

Turnover was marginally lower at £8.84m against £8.88m. Tax was higher at £276,000 compared with £233,000, and depreciation took £480,000 (£549,000).

The pre-tax figure for the six months to September 30 1982 has been adjusted for the appropriate part (£218,000) of an exceptional bad debt totalling £334,000 for which full provision has already been made.

Earnings per 20p share rose from 14p to 20.3p.

The directors say that within the past few days, the company has closed its books for the second half. UK equipment rental is showing a 20 per cent increase for this six months period compared with the corresponding period last year.

Indications are, therefore, that group results for the full year will be ahead of last year's £711,000. They say there is good reason to hope that the three activities which had lost ground in the first half, would benefit from the steps taken to broaden the base of its operations.

Acquisition of the former *Studio 99 business* has brought to Samcine Sales a number of valuable agencies for professional video equipment, and this division is beginning to meet its performance targets.

Samuelson Video has been merged with Samuelson Communications and the company *expects this subsidiary* to derive considerable benefit from the move into newly refurbished and considerably larger premises.

Samuelson Communications will also be a major beneficiary, along with Samuelson Lighting, from the acquisition of the freehold of Bray Studios.

As in previous years the company will recommend payment of a single dividend—last year, 12p was paid. The amount will be decided when the full results for the year are to hand.

# UK COMPANY NEWS

## Record profits and £42m rights at Bank of Scotland

RECORD PROFITS, a scrip issue and a rights to raise £41.57m bavo been announced by the Bank of Scotland.

In the 12 months to end-February 1984 the bank achieved a 19 per cent increase in operating profits from £51.5m to £61.8m.

The improvement was due to an £11.5m rise to £181.5m in net interest income and e increase in other operating income from £41.3m to £51.4m, which more than offset both higher provisions for bed and doubtful debts of £32m, against £27.4m, and operating expenses of £143.4m (£134.5m).

Taxable profits emerged et £59.3m, against £49.6m, after associate companies orofit of £0.5m (loss £0.4m) and a £2.5m (£1.5m) payment to the staff profit sharing scheme.

Following tho riso in the interim dividend, the directors are recommending a 3p lift in the final to 16.5p for a total 16.7 per cent higher at 28p (24p). Earnings rose from 71.2p to 88.2p.

The directors are proposing a capitalisation issue from reserves of £32.83m on the basis of £1 of stock for every £1 held.

The bank is also making a rights issue to raise £41.57m net of expenses. The rights will be on the basis of one-for-two at 260p per £1 stock unit; this is equivalent to an issuo of one-for-four at 520p had there been no scrip lssue.

A breakdown of group taxable profits shows that the Bank of Scotland improved its contribution by £7m to £39.7m and North West Securities achieved a £4.2m increase to £15.3m. However, the merchant bank subsidiary, The British Linen Bank, contributed less at £4.3m (£5.8m).

The decline in profit at British Linen was mainly due to pressure on interest margins but, the directors point out, the customer base was widened and progress was shown in building up the fund's management function.

In the clearing bank's own bosiness, average Base Rate was 1.8 points lower than in the previous year but the volume of sterling lending increased by around 20 per cent; currency lending grew marginally.

Overall in the clearing bank, net interest earnings improved by about 5 per cent although n higher provision for bed and doubtful debts was higher. The growth in eervice charges and other income was 22 per cent, whereas operating expenses increased by less than 5½ per cent.

The directors say it was particularly encouraging that in absolute terms the service income increase outstripped the cost growth. A useful improvement in profit on realisation of investments also contributed to the better outcome for the clearing bank.

As indicated at the interim stage, an accounting change to gross up income from Regional Development Grants increased full year taxable profits by £2.8m (£2.4m).

After tax of £9m (£9.7m) and minorities of £0.6m (£0.5m) there was an extraordinary provision for deferred tax of £56.3m, which was balanced out by a transfer from reserves. Dividends will take £9.2m (£7.9m), leaving a retained surplus of £40.5m (£31.5m).

Barclays Bank, which owns 34.38 per cent of the Bank of Scotland stock, has irrevocably undertaken to subscribe for all of its rights. Kuwait Investment Office, which owns 9.49 per cent, has also irrevocably undertaken to take up its entitlement. The balance of the rights has been underwritten by de Zoete and Bevan and Bell, Lawrie, MacGregor and Co. The last date for acceptance is by May 24.

Income and expenditure

| | 1983/4 £m | 1982/3† £m |
|---|---|---|
| Income | | |
| Interest receivable | 643.1 | 633.0 |
| Interest payable | 461.6 | 463.0 |
| Provision* | 32.0 | 27.4 |
| Other income | 51.4 | 41.3 |
| Profit on sales of investments | 3.8 | 2.1 |
| Operating expenses | | |
| Staff costs | 90.6 | 84.2 |
| Depreciation | 9.3 | 6.9 |
| Other expenditure | 14.2 | 13.2 |
| Miscellaneous | 29.3 | 28.2 |
| Operating profit | 61.3 | 51.6 |

† Restated.
* For bad and doubtful debts.

See Lex

## McKechnie ahead 25% at halfway

AS ANTICIPATED, profits in each of McKecknie Brothers' three main geographical areas of operation improved in the opening six months resulting in a noar 25 per cent increase at the taxable level.

On turnover up from £78.13m to £97.18m, operating profits expanded by just over £1m to £6.02m in the six months to January 31 1984. Struck after interest payable of £1.19m (£1.4m) and including associates' contribution of £2.1m (£1.96m) pre-tax profits emerged at £6.93m, compared with £5.57m. The charge for depreciation was £3.18m (£2.84m).

McKecbnie is a bolding company primarily engaged in the manufacture of semi-finished and finished oroducts in non-ferrous and ferrous metals and plastics for building, electrical and engineering industries.

In the last full year it achieved profits of £11.07m on turnover of £158.11m and paid an unchanged final dividend of 5.2765o. The current interim payment is being held at 2p.

Mr J. M. Butler, the chairman, says that rationalisatioo of McKechnie's brass rod business in the UK is oroceeding as planned following the acquisition of IMI Rod and Wire. Also, he says the results from its plastic and consumer interests, which continue to grow in relative importance, have encouraged the company to support further beavy capital expenditure.

Overseas McKechnie has seen greater stability in its Sooth African operations and bas benefited from some improvement in demand in both Australia and New Zealand.

"At the present time we expect to maintain similar progress in our second half-year," Mr Butler adds.

Earnings per 25p sbare fell from 7.5p to 7.1p. The ordinary divideod will take £1.2m (£997,000)

### ● comment

McKechnie is slowly but surely rebuildiog itself. The company has changed its spots radically over the past five years or so from a traditiooal non-ferrous metals business into a more broadly based group with a beavy reliance on plastics, particularly bousehold wares and orecision compooeots for industry. For the first time the group is sbowing an improvement in all geographical areas of operation and activities, albeit on a modest scale. The £10.2m rights oroceeds have mainly been used on acquiring IMI's brass extrusion business which has been integrated into the existing metals operation. It should be possible to cut out some of the common facilities and provide extra capacity. The comoany is budgetiog for overhead savings of arouod £2m and this should start to make an imoact later this year. Plastics is well positiooed in the marker but consumer goods have abown some weakness in February and March. Overseas, South Africa is responding to rationalisation while New Zealand contioues to improve, thanks to better activity io the bousiog market and the economy generally. At this rate £14m is possible for the year wbich puts the 153o shares on a prospective p/e of around 10 (actual tax).

## Co-op Bank sets £2.9m aside for deferred tax

THE Co-operative Bank bas decided to set aside £2.9m out of 1983 profits to meet new tax liabilities arsing from the Chancellor's decision to phase out capital allowances.

But Mr Lewis Lee, chief general manager, said yesterday that this was only a first step, and he expected that the bank would have to take another £5m this year. Unlike most other UK banks, Co-op had made little or no provision for deferred tax, so it bas been relatively harder hit by the Budget.

He said: "This new factor is obviously an unwelcome setback for the banks and for the system of leasing generally—a system which in my view has produced substantial benefits to industry."

The Co-op Bank made a pre-tax profit of £7.5m, up sharply from 1982 wben it made £1.7m, largely because of losses incurred by its wholly-owned finance subsidiary, First Co-operative Finance.

The bank is also paying a dividend of £0.56m to its parent, the Co-operative Wholesale Society, for only the second time. The group's assets topped a billion pounds, reaching £1.1bn, up from £977m et the end of 1982.

Mr Lee appealed to tho government not to burry into a decision about the loan guarantee scheme for small businesses, which was criticised in a recent government-sponsored report. The Co-op would be putting together evidence for the government showing that such schemes worked well in other countries, he said.

## Arcolectric recovers to finish year at £0.14m

Arceloctric (Holdings) recovered strongly in the second half of 1983 to finish the year with pre-tax profits up from £101,348 to £137,281, on higher sales of £4.97m, against £4.28m.

At halfway, the company, a maker of electric switches and neon signal lamps, reported a turnround from £89,816 profits to pre-tax losses of £71,856.

The final dividend is bigber at 0.4p (0.3p) net, but following the omission of the interim, the payment for the year as a whole is 0.15p lower cumpared with 0.55p in 1982. Earnings per 5p share were ahead from 0.99p to 1.38p.

Tax took £44,799 against £34,750, giving net profits £25,584 higher at £92,482.

Homes sales increased by 14.2 per cent and exports by 20.4 per cent in 1983 and figures so far for this year indicate that this growth rate will continue.

The company's design department perfected six major new products during 1983—far more than at any other time in its history the directors point out. Since they are all relatively complicated products, development expenditure is substantial, but resulting profit margins should be better.

However production and therefore sales cannot commence until they receive acceptance from international approval authorities which can take anything np to 12 months, the directors say.

## DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Allebone | 1 | — | 0.5 | 1 | 0.5 |
| AMEC | 6.5 | July 2 | — | 10 | 9 |
| Arcoelectric | 0.4 | July 10 | 0.3 | 0.4 | 0.55 |
| Bank of Scotland | 16.5 | June 4 | 13.5 | 28 | 24 |
| Boosey & Hawkes | 3 | — | 2.3 | 5 | 2.3 |
| BPCC | 6 | July 9 | Nil | 6 | Nil |
| Brit. Empire Secs. ...int. | 0.2 | — | 0.2 | — | 0.9 |
| British Syphon | 1 | July 4 | Nil | 1 | 0.5 |
| Brook Street Bureau | 1 | July 27 | 0.1 | 1 | 0.1 |
| Cooper Inds. | 0.5†† | July 2 | 0.5 | 0.5 | 0.5 |
| Dowding & Mills ...int. | 0.95 | May 25 | 0.86 | — | 2.15 |
| First Charlotte | 0.05 | July 4 | †0.04 | 0.05 | †0.04 |
| Fogarty | 2.42 | — | 2.42 | 4.02 | 4.02 |
| Henara¶ | 0.7 | May 29 | — | 0.7 | — |
| Horace Cory | 0.8 | June 12 | 0.8 | 1.4 | 1.4 |
| Juliana's‖ | 4.5 | June 15 | — | 7.5 | — |
| McKechnie ... int. | 2 | June 6 | 2 | — | 7.28 |
| Microlease | 2‡ | — | — | 2 | — |
| Owen Owen | 2.3 | July 2 | 2 | 3.3 | 3 |
| RMC Group | 7.9 | June 11 | 6.5 | 12 | 10.2 |
| Scottish Cities ...int. | 4 | May 4 | 4 | — | 13.5 |
| Secs Tst of Scotland | 2.1 | June 25 | *1.78 | 3.2 | *2.78 |
| R. Smallshaw | 1.25 | July 2 | 1.25 | 1.75 | **2.25 |
| A. G. Stanley | 0.5 | — | Nil | 1.5 | 1 |
| Style | 4.5 | Oct. 1 | 3.5 | 4.5 | 3.5 |
| Sun Life Assurance | 10 | June 12 | 8 | 16.48 | 13.4 |
| Tilbury Group | 3.1 | June 20 | *2.8 | 4.4 | *4 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ As forecast in prospectus, December 1983. ‖ Gross throughout. ** Total includes second interim dividend in respect of 15 months to December 1982. †† For nine month.

## PUBLIC WORKS LOAN BOARD RATES

Effective April 18th

| Years | Quota loans repaid by EIP† | Quota loans repaid A‡ | Quota loans repaid at maturity§ | Non-quota loans A* repaid by EIP† | Non-quota loans A* repaid A‡ | Non-quota loans A* repaid at maturity§ |
|---|---|---|---|---|---|---|
| Up to 5 | 10⅝ | 10⅝ | 10¾ | 11⅛ | 11⅛ | 11¼ |
| Over 5, up to 6 | 10⅝ | 10¾ | 10⅞ | 11¼ | 11⅛ | 11¼ |
| Over 6, up to 7 | 10⅝ | 10⅝ | 11⅛ | 11¼ | 11¼ | 11⅜ |
| Over 7, up to 8 | 10⅝ | 10⅝ | 11¼ | 11¼ | 11⅜ | 11⅜ |
| Over 8, up to 9 | 10½ | 10⅞ | 11¼ | 11¼ | 11⅜ | 11⅜ |
| Over 9, up to 10 | 10¾ | 11 | 11⅛ | 11¼ | 11¼ | 11⅜ |
| Over 10, up to 15 | 11⅛ | 11⅛ | 10⅞ | 11⅜ | 11⅜ | 11⅜ |
| Over 15, up to 25 | 10⅞ | 10¾ | 10⅝ | 11⅜ | 11¼ | 11¼ |
| Over 25 | 10⅝ | 10½ | 10⅝ | 11⅛ | 11 | 11 |

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

# UK COMPANY NEWS

## Brook St. back into black as forecast

MID-TERM forecasts of a return to profit for **Brook Street Bureau**, the international staff agency, were confirmed with a £1.24m turnround to change a £806,740 loss into a £436,659 pre-tax profit for the year ended 1983.

The company is restoring its final dividend to 1p (0.1p)—there was no interim payment. The board anticipates that the improvement in trading performance may permit a "substantially enhanced dividend" for the current year.

The directors attribute the return to profit to a very significant increase in the demand for staff toward the year end. The second half produced a £567,000 profit, against a loss of £173,000 for the comparable period. This trend has continued in the current year.

Full year turnover rose from £14.36m to £15.5m. There was a tax charge of £65,746, against last year's £79,616 credit. The company believes that the planned reduction in the rate of corporation tax will further enhance profitability. Earnings per share were 3.59p, against losses of 7.03p.

There was an extraordinary debit of £114,579 (nil), relating to the reorganisation of the Australian operation. The process of reorganising overseas subsidiaries, which has in the past led to losses for the group, is now virtually complete.

Orders for temporary staff have continued to improve in 1984, and are running at more than a third higher than last year in Britain, the U.S. and Australia.

**● comment**

These figures disguise the real sharpness of the recovery at Brook Street. The agency in fact traded at a loss in the first half and the breakthrough was concentrated in a dramatic second half when profits of £567,000 were recorded against a £173,000 loss for the same period in 1982. This turnround illustrates how highly Brook is geared to even small improvements in turnover; despite heavy cutbacks in the recent past when the number of outlets *was cut from* over *200* to about 100 the agency's overhead costs are necessarily still high. In the current year, the company should improve further on the second half performance; plans to increase specialisation in go-ahead sectors such as computing and to improve recruiting techniques should help margins. There should also be a shift from *temporaries—currently 60* per cent of turnover—to more business from placing permanent staff where the margins are higher. At 72p, up 2p, the shares trade at a historic P/E of 19.7 on an actual tax basis, so the market is clearly alredy discounting the excellent 1984 prospects.

## Tilbury up 16.5% after unchanged second half

DESPITE A scarcity of business available within the construction industry, **Tilbury Group** raised 1983 turnover by 20 per cent from *£44.52m* to *£53.58m*, while pre-tax profits were ahead 16.5 per cent at £2.92m, against £2.51m. The second-half contribution was however, unchanged at £1.56m.

Earnings per 25p share improved from 11.7p to 12.3p in the year and the total dividend is effectively raised by 10 per cent from 4p to 4.4p net, by a final of 3.1p (adjusted 2.8p).

The directors report that the construction industry has so far been unable to obtain much benefit from the recovery taking place in the economy. However, there are some encouraging signs for the group.

Tilbury's construction division entered 1984 with a workload 26 per cent higher than at the beginning of last year and the group will be building more houses for sale and adding to its outlay in commercial and industrial developments.

During the current year, the directors say every effort will be made to achieve improved figures, but they add that it is too early at this stage to be more specific.

A divisional breakdown of the year's *profits before tax* shows:—construction £628,345 (£724,276); roadstone £1.21m (£1.09m), plant £106,855 (£26,080); mechanical services £109,782 (£160,302 loss); property £876,662 (£822,553) and parent company loss £29,470 (£33,237 profit). Related company profit was £20,169 (£24,940 loss).

Tax for the period rose from *£778,000* to £1.1m. As anticipated last year, the 1983 charge is significantly increased (from 31 per cent to 38 per cent) due to there being little loss relief available from earlier years and less stock relief.

The lower rates of corporation tax forecast in the Budget have made it possible to release £463,000 from deferred tax, included in extraordinary credits of £307,000 (£106,000 debits). As a result, available profits increased from £1.63m to £2.13m. Dividends absorb £651,000 (£592,000).

**● comment**

Tilbury's sound and steady progress is very gratifying for the management but many shareholders must feel exasperated with the share price which *has fallen from* a high last year of 140p to 94p yesterday, down 2p on the day. But the shares have been unreasonably high, inflated partly by bid hopes, which have since evaporated, and by over-optimistic forecasts. At a historic p/e of 7.4 on an actual tax basis and yielding a healthy 8.9 per cent, Tilbury shares are now correctly rated *against other stocks in the* sector. The group is reaping the benefits of the drastic slimming down in its major construction division it carried out during the recession, in the form of useful profit margins. It is justly cautious about the outlook for this year and beyond because of the continuing cloud on capital spending by the public sector which provides 60 per cent of the business. But it is looking for growth in the plant and mechanical services divisions and in house-building for private buyers. There is also the prospect of investing some of its £1.2m net cash holding on acquisitions.

## Net profits rise 25% at Sun Life

A NEAR 25 per cent rise in after-tax profits from £7.73m to £9.65m for 1983 is reported by **Sun Life Assurance Society**.

The dividend is lifted by a similar amount from 13.4p to 16.48p with a final payment of 10p.

The proprietors' share of profits from the long-term business increased by 17 per cent to £8.28m, against £7.08m—9 per cent of the total surplus, the same proportion as in 1982.

Investment income on shareholders funds rose by over 7 per cent from £1.49m to £1.61m. Profits from the pensions management subsidiary jumped to £500,000 (£200,000), while the unit life subsidiary showed a profit for the first time of £75,000, compared with a loss of £287,000 in the previous year.

The value of all group funds rose by more than £500m during 1983 to £2.74bn at the year end. There was a record increase in premium income of £117m to £390m.

**● comment**

Last year's buoyant stock markets meant that the capital value of life and pension funds rose substantially over the year. Sun Life's actuary has given the immediate benefit of some of this growth to policyholders and shareholders—a feature common to most life companies in the latest results season. Further growth can be expected this year if stock markets remain buoyant. The unit-linked and pensions management operations are now paying their way and should start to provide a more significant contribution to profits over the next few years as the business matures and carries internally the costs of future development. The market was pleased with the results and the share price rose 7p to 600p. The 4 per cent yield fully discounts growth prospects.

## Brit. Syphon resumes dividends

IN THE LIGHT of a return to profits and the directors confidence in the future, **British Syphon Industries** is resuming payment of a final dividend.

British Syphon which underwent a substantial management reorganisation last Spring *achieved* taxable profits of £412,000, against a £599,000 loss in 1983 and is paying a single final dividend of 1p: last year there was an interim payment of 0.5p.

The results says Mr A. B. Morall, the chairman, are "particularly satisfying" in view of the fact that the board reorganisation did not take place until halfway through the year. And, he adds, the programme of rationalisation of the group's activities commenced by the new board has not yet been reflected in a full year's trading.

Turnover in 1983 of this dispense equipment and manufacturing services company expanded by £1.29m to £22.05m on which an operating profit of £412,000 (loss £119,000) was made; last year's taxable result *was struck after an exceptional* debit of £440,000.

At the interim stage, profits totalled £86,000 (£2,000) on turnover of £10.86m (£10.55m).

During the year satisfactory progress was made in respect of the disposal of properties surplus to requirements, and by the year end the proceeds of the disposals resulted in total borrowings, as a percentage of shareholders funds, being reduced from 77 per cent to 51 per cent.

Two subsidiary companies, H. G. East and Greenup and Thompson, have been sold since the year end for a total consideration of £1.21m.

The effect of these transactions will be to further reduce group borrowings to around 30 per cent of shareholders funds. For the 1983 year the combined contribution of these two subsidiaries was £30,000 to group taxable profits.

Net profits for 1983 emerged at £358,000 (loss £588,000) after a £54,000 (£24,000) tax charge. But after extraordinary debits of £331,000 (£661,000) the cost of dividends is uncovered.

Attributable profits amounted to £27,000 (loss £1.24m) and dividends will take £126,000 (£58,000), leaving a retained deficit of £99,000 (£1.3m). Earnings are shown at 3.11p (loss 5.81p).

## Henara exceeds forecast to reach £1.65m profit

DESCRIBING THE year ended 1983 as "one of achievement" for **Henara**, the hair products group, Mr George Robinson, the chairman, announced pre-tax profits of £1.65m. This figure compares with £873,000 for the previous year (£1.35m on a pro-forma basis) and with the £1.6m forecast at the time of the company's flotation last December.

The directors are proposing a *dividend of 0.7p net per ordinary* share, in line with the prospectus forecast.

Turnover showed a slight improvement, up by £241,000 to £5.19m. Tax absorbed £734,000, against £315,000, while minorities took a further £8,000 (£5,000), to leave an attributable profit of £909,000, against £353,000. Earnings per share were up from 3.4p to 8.7p.

In addition to the stock exchange *listing*, the company marked the year with a successful bid for Dixor-Strand, a hair products supplier. Acceptances have been received in respect of 97 per cent of Dixor-Strand shares, and the necessary steps have been initiated to acquire the balance.

The chairman expects that the benefits of the integration will *strengthen its manufacturing* base, and hopes that the new machinery on order will enable the group to reduce the level of sub-contracted manufacturing.

Seeing Henara as a brand leader, new and innovative products such as mousses and gels have been introduced to the range, and marketing plans are advanced.

## A. G. Stanley recovers to £0.6m

PROFITS BEFORE tax of **A. G. Stanley**, the paint and wall coverings retailer and manufacturer, recovered to £596,000 for the year to January 2, 1984, and a final dividend of 0.5p makes a total of 1.5p net per 5p share.

For the previous year the group, which also runs the FADS chain of stores, recorded a depressed £97,000 and omitted the final—the interim was maintained at 1p.

Turnover for 1983 moved ahead by £1m to £54.89m and at the trading level, profits of £745,000 were earned, compared with previous losses of £315,000. These were struck after taking account of depreciation of £1.39m (£1.48m) and interest charges of £407,000 (£424,000).

Group chairman, Mr Malcolm Stanley, says he believes the worst of the difficult trading period is over. He points out that stocks have been reduced by £1.3m and borrowings by £1.7m. Savings on payroll costs amounted to £816,000 and stringent controls have been initiated on expenditure.

Trading losses at the wallcoverings mill were reduced to £90,000 (£575,000).

Shareholders are told that the group is again aggressively marketing its own-brand products, the sales of which give a "larger profit on each unit sold."

Profits for the year included a £149,000 deficit (£412,000 surplus) on the sale of fixed assets. Tax accounted for £156,000 (£661,000) to leave net profits at £440,000 (£564,000 loss).

Earnings per share on a net basis were 1.73p (2.22p loss).

## Juliana's beats forecast

**Juliana's Holdings**, the international discotheque and leisure group, has beaten its profits forecast by some £0.11m and is paying a final dividend of 4.5p to make a total for 1983 of 7.5p gross. This was also better than the 7p forecast.

With turnover up from £3.8m to £5.19m profits at the pre-tax level soared by £569,399 to £1.16m. The group obtained a full Stock Exchange quotation last June and forecast profits of £1.05m. Along with the better-than-predicted dividend shareholders are to receive a bonus issue of shares on a two-for-one basis.

Trading in the current year has started well with further new discotheque contracts being signed and a number of others under negotiation which should be completed during the year.

Mr O. J. Vaughan, the joint chairman, believes that this, together with the development of other group activities, *will* enable the group to achieve a "significant growth" in 1984 profits.

Pre-tax profits for 1983 included investment income of £85,577 (£26,452) and was after lower interest charges of £71,877, compared with £152,406.

Tax rose to £270,006 (£140,715) but with the absence of minorities *(£578)* and extraordinary credits of £51,060 (£101,782 debits) profits at the attributable level emerged at £936,108, against £343,736.

Earnings per share came through at 18.1p (8.1p).

Pre-tax profits for the opening half jumped by 60 per cent to £459,000 (£287,000). The benefits of new contracts signed in 1983 *were expected* to *be* reflected *in* the second *six* months.

## Microlease up 123% to £582,000

Pre-tax profits for the year to February 28 1984 have more than doubled to £582,000 against £260,000 at **Microlease**.

This short-term electronic instrument and computer renter, which came to the USM via a placing in April last year, reports turnover up 67 per cent at £2.51m (£1.5m). Tax took £135,000 (£5,000). There was an extraordinary debit of £48,000 (nil).

The dividend recommended by this close company is, as forecast, 2p.

After the 1984 Budget the group had to make a £114,000 provision for deferred tax. The extraordinary charge refers to timing differences at March 1 1984 *calculated on* the *same* basis.



## COMPANY NEWS IN BRIEF

Net asset value per 5p share of **British Empire Securities and General Trust** increased to 29.1p at March 31 1984, against 23.1p a year earlier.

Revenue increased from £146,995 to £174,448, before tax of £52,759 (£44,579). The net interim dividend is unchanged at 0.2p—last year's total was 0.9p.

* * *

For the nine months to January 31 1984 **Cooper Industries**, steel re-roller and precision engineer, made pre-tax profits of £310,000 on turnover of £13.35m. Over the 12 months to April 30 1983 the company incurred a loss of £189,000 on turnover of £14.15m.

Earnings for the nine months totalled 0.9p (0.6p loss) and a dividend of 0.5p net is declared (same for year). Profits were after deducting net interest payable of £312,000 (£396,000).

* * *

Taxable profits rose 42 per from £770,000 to £1.1m for the year to January 28 1984 at **Stylo**, the footwear and clothing company which beat off a takeover bid by Harris Queensway last month.

Turnover was £48.8m (£46.5m), trading profit was the same at £1.9m and interest took £317,000 (£1.1m). The tax charge was £201,000 (£157,000) and there was an extraordinary debit last time of £85,000.

A dividend of 4.5p (3.5p) has been recommended on both management and ordinary shares. The board has proposed a one-for-one scrip on both types of share. Earnings per share improved from 5.87p to 8.57p.

* * *

**Dowding & Mills**, an electrical and mechanical engineer, achieved higher pre-tax profits of £1.24m, against £989,000, in the six months to end-December 1983.

Sales moved ahead from £9.29m to £10.45m, and trading in the second half continues at a satisfactory level, the directors say. If this trend is maintained the full year's outcome will be "well ahead of last year."

Profits were subject to tax of £418,000 (£375,000). The interim dividend is lifted from 0.86p to 0.95p net per 10p share.

* * *

Revenue earned for ordinary shareholders at **Securities Trust of Scotland** improved from £2.39m to £2.68m in the year to March 31, 1984. Net asset value per 25p share increased from 107.6p to 130.2p after prior charges at par, and from 111.5p to 133.4p at market value. Earnings per share were up from 2.99p to 3.34p.

The final dividend is effectively raised from 1.775p to 2.1p for a total up from an adjusted 2.775p to 3.2p.

Recent dividend declarations, particularly from the UK investments, indicate that the trust's income in 1984-85 should continue its strong upward trend, say the directors.

* * *

Second half pre-tax profits of £1.04m at **Fogarty**, manufacturers of home furnishing, served to reinforce the company's turnround from 1982's £12,000 loss to £1.66m profit in 1983.

However, the company warns that it is doubtful whether the first half of 1984 will show a profit following the slower consumer spending and recent strike.

It is too early to say whether trading conditions will improve in the second half to give profits similar to 1983.

Turnover then was £34.3m (£35.8m), operating profit was £2.07m (£821,000) and interest payable £410,000 (£833,000).

Tax took £338,000 (£207,000) and there was an extraordinary debit last time of £1.33m.

A same again final dividend of 2.42p is recommended, maintaining the annual figure for the fourth successive year at 4.02p. Earnings per share are shown as 12.4p (3p loss) or 8.7p (1.6p loss) fully diluted.

* * *

Taxable profits of **Horace Cory**, chemical colour manufacturer, dropped from £367,697 to £304,475, although turnover was higher at £3.49m, against £3.24m.

At the trading level, profits were down from £331,649 to £274,945, before including interest received of £29,530 (£36,048).

After tax of £139,290 (£177,101) earnings per 5p share fell from 2.04p to 1.76p. The dividend, however, is maintained at 1.4p net with a final of 0.8p.

* * *

Net asset value at **Japan Assets Trust** rose substantially, from 31.9p to 63.3p per share, by the end of the six-month period to March 31.

March 31. The Edinburgh-based investment company ended the last full year with a par of 46.14p per share.

The board states that the company's significant capital growth was the result of the very strong performance of the Japanese stock market

* * *

**Uniroyal**, the rubber, plastics and chemical group which is controlled by Uniroyal Inc. of the U.S., returned pre-tax profits of £3.46m for the year to January 1, a downturn of £1.1m on the figures of the previous year. Turnover totalled £70.12m, compared with £69.28m, and earnings emerged 19.1p lower at 25.4p per £1 share.

* * *

**Immediate Business Systems'** rights issue of 6.75m new ordinary shares has been taken up as to 3.2m shares (47.45 per cent of the issue). The balance was placed at a premium through the USM with institutional investors.

# MINING NEWS

## Mixed bag of quarterly reports by Gencor

THE VETERAN West Rand Consolidated was the star performer among a generally mixed bag of March quarterly reports from the South African gold mines in the General Mining Union Corporation (Gencor) group.

The operation illustrates quite clearly the effect even a slight rise in the average gold price received can have on the profitability of a marginal producer, especially when outside factors are also in play.

West Rand Consolidated managed an improvement in the ore grade from 1.7 to 2 grammes of gold per tonne, and with a gold price of R15,275 per kilogramme against R15,102, produced a net profit for the three months of R1.34m (£757,000).

This compares with a loss in the December quarter of R375,000, and was achieved in spite of a sharply higher tax charge of R1.23m, up from R6,000 last time. The increase in taxation was partly a function of the mine's greater profitability at the operating level, and partly caused by the increase in the surcharge imposed in last month's South African budget.

The other mines in the group also suffered generally from higher tax charges as a result of the budget changes.

This factor was especially acute in the cases of Buffelsfontein, Bracken, Unisel, Kinross, Leslie and Winkelhaak, where the increased charge applied to prior periods as well as to the latest three months. The whole of the higher tax was deducted from profits in the March quarter, so that those profits do not accurately reflect the profitability of the various operations in the period.

The latest profits are compared in the accompanying table.

| | Mar qtr R000 | Dec qtr R000 | Sept qtr R000 |
|---|---|---|---|
| Bracken | 1,602 | 1,587 | 2,438 |
| Buffels | 50,642 | 43,057 | 45,085 |
| Grootvlei | 3,470 | 5,258 | 3,898 |
| Kinross | 8,731 | 10,025 | 12,073 |
| Leslie | 2,231 | 1,774 | 2,724 |
| Marievale | 349 | 900 | 577 |
| St. Helena | 9,293 | 12,465 | 16,383 |
| Stilfontein | 6,228 | 11,052 | 7,771 |
| Unisel | 6,602 | 7,698 | 9,814 |
| W Rand Cons. | 1,335 | †375 | †827 |
| Winkelhaak | 11,082 | 11,838 | 15,559 |

† Loss.

Apart from West Rand Consolidated, higher profits for the March quarter were reported by Buffels, Bracken and Leslie.

Buffels managed to overcome the effects of higher tax largely because of an unexplained boost to profits from by-product uranium, which increased its contribution from R2.07m to R14.53m.

## Sharp cuts in Anglo's OFS gold mine interims

BY KENNETH MARSTON, MINING EDITOR

THE combination of lower gold prices, rising costs and tax rates coupled, in many cases, with high capital spending has taken its toll of the interim dividend payments for the current year to September 30 of the Orange Free State gold mines in the Anglo American Corporation of South Africa group.

All have been sharply reduced from the levels of a year ago and are mostly below recent sharemarket forecasts. The latest interim of 135 cents (76p) from Free State Geduld, for instance, compares with 240 cents a year ago and with recent market estimates ranging up to 200 cents.

President Brand has lowered its latest interim to 150 cents from 290 cents while Western Holdings is paying an interim this time of only 250 cents against 355 cents a year ago and it compares with market estimates of up to 280 cents.

One bright spot is a maintained final dividend of 35 cents from the ERGO dump retreatment operation, the market having expected a reduction.

The latest payments are compared in the following table.

| | April cents | Oct cents | April cents | Oct cents |
|---|---|---|---|---|
| ERGO | *135 | *27.5 | 35 | *27.5 |
| F.S. Geduld | *150 | 215 | *240 | 150 |
| Pres. Brand | *150 | 220 | *290 | 225 |
| Pres. Steyn | *210 | 255 | *280 | 205 |
| W. Holdings | *250 | 325 | *356 | 270 |
| Welkom | *64 | 84 | *91 | 71 |

* Interim dividend.

Profits of the mines for the March quarter make a mixed showing. The latest figures include tax adjustments in line with the increases announced in the recent South African budget, these adjustments being for the whole of the finance year to date: the OFS mines run their year to September 30, while the Transvaal producers have a calendar year.

The average gold prices received in terms of U.S. dollars in the latest quarter are mostly below those of the previous three months but because of exchange rates they have risen in terms of South African rands.

GOLD PRICE RECEIVED (R per kilogramme—$ per ounce):

| | Qtr ended Mar 31 | Qtr ended Dec 30 |
|---|---|---|
| ERGO | R15,197 | R14,641 |
| $ | ($361) | ($382) |
| Elandsrand | R15,489 | R14,724 |
| | ($390) | ($394) |
| Free S. Geduld | R15,238 | R14,627 |
| | ($383) | ($384) |
| President Brand | R15,221 | R14,784 |
| | ($382) | ($388) |
| President Steyn | R15,238 | R14,764 |
| | ($382) | ($386) |
| S.A. Land | R15,189 | R14,589 |
| | ($380) | ($382) |
| Vaal Reefs | R15,427 | R14,606 |
| | ($388) | ($388) |
| Western Deep | R15,333 | R14,766 |
| | ($383) | ($392) |
| Western Hldgs. | R15,244 | R14,705 |
| | ($383) | ($386) |

Among the highlights of the net profits for the March quarter Western Holdings shows up well with R39.6m (£22.4m) against R29.8m in the December quarter. The better performance reflects a modestly increased working profit and a sharp reduction in tax, the latter being a result of increased capital spending in the latest quarter.

Western Holdings has decided to sink a sub-vertical shaft near the eastern boundary of the western lease area at an estimated cost of R65m. Shaft sinking is to start in 1986 and the shaft should be fully operational in 1989.

The net profit of Vaal Reefs, on the other hand has come back sharply from the December quarter figure to the levels of the September quarter. Gold working profits were higher, but less was received from uranium and no dividend was due from Southvaal (royalties payable to the latter rose to R47.2m from R34.4m).

Vaal Reefs also ran into higher tax, largely as a result of a fall in the tax-offsetting capital expenditure. This also applied in the case of Western Deep. The latter says that it has decided to cease uranium production in early-1985 and convert its uranium plant into a more profitable gold treatment plant at a cost of R35m.

ERGO has done well with the help of a tax recoupment capital spending having increased during the quarter. Free State Geduld earned less at pre-tax level but received a tax recoupment compared with a charge in the previous quarter.

FSG is cutting down on capital spending with the deferment of some items. This will reduce spending for the current financial year to about R60m from the previously estimated R83m.

President Brand's net profit has benefited from the inclusion on the latest occasion of a dividend from Welkom and a reduction in taxation.

The latest quarterly net profits of the group mines are compared in the following table.

| | Mar qtr R000 | Dec qtr R000 | Sept qtr R000 |
|---|---|---|---|
| ERGO | 19,803 | 15,483 | 16,226 |
| Elandsrand | 14,856 | 16,360 | 15,557 |
| F.S. Geduld | 20,103 | 21,610 | 32,743 |
| Pres. Brand | 40,461 | 29,368 | 43,809 |
| Pres. Steyn | 25,211 | 24,481 | 30,262 |
| S.A. Land | 979 | 1,135 | 1,047 |
| Vaal Reefs | 82,193 | 125,179 | 82,366 |
| W. Deep | 47,847 | 73,194 | 64,207 |
| W. Holdings | 39,573 | 29,775 | 63,016 |

South African Land and Exploration has now decided that it would not be economic to establish a small gold mining operation at the old Van Dyke No. 5 shaft. But says that it may be possible to mine the ore reserves there in order to contribute to the cost of work needed to assess the economics of establishing a new mine within the whole "Sallies" lease area.

## Inco sees second half profits

"ASSUMING reasonable price improvements for nickel and other products in the coming months, I expect our company to generate positive operating earnings in the second quarter for the first time since the first quarter of 1982 and to return to bottom line profitability in the third quarter of this year."

This forecast was given at yesterday's Toronto meeting of the big Canadian nickel producer by Mr Charles F. Baird, the chairman.

It accompanied the publication of the results for the 1984 first quarter which show a net loss of U.S.$35.1m (£24.7m), or 41 cents per share, down from a loss of $54.6m in the fourth quarter of 1983 and a worst-ever and restated loss of $81.9m in the first quarter of that year.

The latest loss is after some $18m of severance costs and equipment write-downs associated with the discontinuance of electrolytic nickel production at Port Colborne, Ontario, and the rationalisation of alloy products operations in the UK.

These are part of the company's severe cost trimming programme which in the past quarter alone wil result in employee redundancies of more than 1,000 people. Unit costs in the quarter were reduced by a further 10 per cent from last year's levels.

Inco's sales in the quarter rose to $371m from $348m in the final quarter of last year but the nickel price received fell to $2.33 per pound from $2.38. So the reduced loss for the first quarter of this year was mainly a result of the reduction in unit costs.

# Suter steps up Francis terms

BY RAY MAUGHAN

Suter has stepped up the terms of its offer for Francis Industries, the metal packaging and gearbox components group. It lifted its stake to 29.99 per cent of Francis yesterday morning and subsequently built its holding up to a total of 33.88 per cent once its first offer had officially closed.

The new terms, comprising one Suter share and 120p in cash for every two Francis shares, have been backed up by an alternative cash offer of 250p in cash for every two Francis shares.

Suter's shares fell 2p yesterday to 137p which values the cash cum equity offer at 127½p. The new cash alternative worth 125p ex div allowed Britannic Syndicate, a dealing subsidiary of Robert Fleming, the merchant bank acting for Suter, to acquire 1m Francis shares, accounting for almost 9 per cent of its ordinary capital, at 127p cum the 2p final dividend per share. Later, market purchases added a further 50,000 Francis shares to this haul.

As Francis' price in the market fell 1p to 127p, Suter declared its offer final and expects to post its revised formal offer documents towards the end of next week.

The defence document should follow about one week later and will hinge on a forecast of profits and earnings for the current year. Francis has already said that it expects to top its previous profits forecast which indicates at least £2m pre-tax as a conservative base for the 1984 estimate and has indicated that tax will be charged at the rate of about 20 per cent.

With the consent of the Takeover Panel, Suter has agreed to make available to Francis' shareholders arrangements whereby acceptors of the increased bid will be able to take the cash only terms, should they wish, in view of Suter's inability to waive the conditions that its new shares consideration are admitted to the Official List.

All other conditions have been waived, in accordance with the requirements of the City Code, save for the stipulation that Suter gains majority control of Francis' voting rights by the end of the offer period.

# NatWest unveils proposals for its link with Bisgood

BY JOHN MOORE, CITY CORRESPONDENT

National Westminster Bank yesterday unveiled its proposals to form a link with Bisgood, Bishop, the fifth largest stockjobber or market maker on the London Stock Exchange, in a deal which values the whole of the jobbing company at £18.64m.

National Westminster is initially taking a 29.9 per cent stake in Bisgood with the intention of eventually taking an 85 per cent interest once the Stock Exchange rules on outside ownership are relaxed.

Mr Ed Puxley, chairman of Bisgood, tells shareholders that although Bisgood is "one of the better capitalised member firms" it is "small compared with the international security houses and other financial institutions who may become our direct competitors in a restructured market.

Mr Charles Villiers of County Bank said yesterday that National Westminster and County Bank had received approaches by "numerous stockbrokers" seeking to form a relationship with the banking group. Although the stockbroking firm most tipped to form a link with National Westminster has been Grieveson Grant, Mr Villiers declined to indicate the identity of firms which were currently in discussion with the Bank.

Under the proposed deal with National Westminster it is proposed to bring the majority of the issued share capital of Bisgood into ownership of National Westminster and of two new companies.

The two new companies are Bisgood Investments and BB Investments, the ordinary shares in both of which are owned by directors and employees of Bisgood. In the new regrouping of the Bisgood shares, National Westminster will hold 29.9 per cent, Bisgood Investments 33.19 per cent and BB Investments 16.28 per cent.

Bisgood Investments and BB Investments and the directors and certain employees of Bisgood have entered into agreements with National Westminster. Under these agreements and subject to the approval of the Stock Exchange, the Bisgood shares to be acquired by Bisgood Investments and BB Investments and those remaining in the ownership of the directors and employees concerned may eventually be acquired by National Westminster Bank.

In effect a temporary management buyout has been arranged under the deal. BB Investments will acquire under the deal 632,925 Bisgood shares and under an agreement 371,646 Bisgood shares from directors and employees of Bisgood. National Westminster has agreed to subscribe £1,100 preferred share capital of BB Investments and to lend BB Investments the sum of £2.81m to enable BB Investments to make the acquisitions.

BB Investments has entered into an agreement dated April 11 1984 with National Westminster under which NatWest will have options to acquire the 1m Bisgood shares, acquired by BB Investments, at £2.75 per share. It is intended that National Westminster will acquire these shares as soon as the Council of the Stock Exchange relaxes its rules on outside ownership.

In another agreement with Bisgood Investments National Westminster has options to acquire 2.05m Bisgood shares, bought by Bisgood Investments for £2.75 per share, but supplemented by a formula based on profit performance.

No profit forecast is given for the latest financial year at Bisgood which ends within the next three weeks. But Mr Puxley tells shareholders that turnover has been high and profits to date are a little ahead of the same period last year. In the last financial year the group reported pre-tax profits of £2.46m.

* * *

The British Land Company has completed the acquisition of The Cowley Centre, Oxford, from Oxford City Council for £4.3m. The centre comprises some 71 shop units, five store units, two banks and approximately 8,125 sq ft net of offices.

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—Audio Fidelity, Fitzwilton, Rosehaugh, St Group.

Finals—Benford Concrete Machinery, Bodycote International, Dunlop, Fortnum and Mason, General Scottish Trust, Grampian Television, Thomas Marshall (Loxley), Photax (London), Polymark International, Scottish Mortgage and Trust, Teye.

FUTURE DATES

Interims:—

| | |
|---|---|
| Baggeridge Brick | May 14 |
| MTD (Mangula) | May 8 |

Finals:—

| | |
|---|---|
| Cole | Apr 26 |
| Debenhams | May 10 |
| Emess Lighting | Apr 24 |
| Halma | Jun 28 |
| Lilley (F. J. C.) | May 2 |
| Neill (James) | Apr 26 |
| Warrington (Thomas) | Apr 24 |
| Wingate Property Investments | Apr 25 |

Brendan Keenan on Waterford bid talks

# Suitors must tread warily

THE ANONYMOUS investors engaged in takeover talks for the Waterford Glass Group may or may not know it, but they are bidding, not just for a company, but for what amounts to an Irish institution.

Should they succeed, they will have to tread warily to avoid offending several local sensibilities.

Already the news that Ireland's fourth largest company may be taken over has caused shock and apprehension far beyond Waterford city and the Dublin financial institutions. It is generally assumed that only a foreign group would be in a position to pay the likely price of at least £100m for the company.

The shares, which had been quoted at I£0.38, rose to I£0.53 on news of the takeover talks. This values the company at over I£100m.

When Waterford Glass was founded after the War, it revived the tradition of hand-made crystal glass in Waterford, which had been one of the glories of the 18th century Ireland but which had been in abeyance for a century.

It was not only an example of native Irish enterprise, but was based on a distinctively Irish product — something which is *regularly encouraged but rarely* achieved in Irish economic development.

The first 10 years were difficult, with losses being incurred until 1954. Growing consumer affluence, especially in the U.S., created increasing demand for the product and Waterford was able in the 1970s to build up a diversified group.

In 1970 the group acquired John Aynsley, an English manufacturer of fine china and pushed up profits in this company to £2m last year. In subsequent years Waterford acquired a controlling interest in the Switzer Group of Irish retail stores, and bought John Hinde, whose name is familiar with many of the holiday postcards bought in Ireland and Britain, and the Smith Group, *which imports and distributes* Renault cars in Ireland and owns a chain of garages.

The present recession has caused severe problems for Switzer and Smith but the strong dollar greatly helped earnings in the main U.S. market for glassware and china. Last year's profits of £10.17m on sales of £212m were £1.5m below the historical peak of 1979.

The feeling in Dublin is that further development of overseas markets might require resources beyond the strength of the present group. The fact that the official statement spoke of a number of prospective purchasers led to suggestions that Waterford itself may have sought out potential buyers.

The largest single shareholding in Waterford is the 20 per cent held by Avenue Investments, which is controlled by the McGrath, Duggan and Freeman families—one of Ireland's leading businessmen, of the period, Mr Joseph McGrath, was one of the founders of the company.

Avenue Investments has been disposing of assets recently—most notably in Hibernian Insurance and Emory Computers—and incurred losses with the failure of Waltham Holdings, which manufactures consumer electronic goods, and Avair, a small Irish consumer airline. Even so, it was not thought that Avenue was so pressed for cash as to have to sell its major investment.

*The news caused* dismay in Waterford itself, where the company is the principal employer in a city which has seen many of its traditional industries go to the wall in recent years. Cllr Richard Jones, the Mayor remarked that if anything happened to Waterford Glass, the city might as well close it doors.

He has already asked the Irish Prime Minister to block the deal if it threatened the interest of the area.

A new owner would also have to take account of the prickly glass workers. They are among Ireland's industrial elite in terms of earnings and are well aware of the industrial muscle possessed by craftsmen whose skills are *irreplaceable*.

Their union held a meeting yesterday and said they would issue a statement within 24 hours.

# Control of Henriques changes hands for £0.6m

CONTROL OF Arthur Henriques, a Manchester-based ladies clothing manufacturer, has changed hands and sharply lower profits for calendar 1983 have been reported. The final dividend is being passed.

Maxmillian Enterprises, a private company controlled by Mr Max Lewinsohn, has purchased for £622,000 a total of 2,074,336 (about 52 per cent) ordinary at 30p per share from Henriques' managing director Mr A. Gold, who along with Mrs O. Gold will retire as directors.

In accordance with the City Code, an unconditional offer on the same terms will be made to all other shareholders, and on conclusion Mr Lewinsohn will join the board and Lord Barnett will remain chairman of Henriques.

Maxmillian intends to place approximately 17 per cent of the issued shares, and arrangements have been made to place any shares in respect of which the offer is accepted, with a view to retaining listing on the Stock Exchange.

Henriques' shares yesterday rose 12p to 48p, capitalising the company at £1.92m.

As Lord Barnett warned at the interim stage, the planned growth of sales to retail outlets has taken some time to produce results, and increased costs reduced 1983 pre-tax profits from £144,665 to £74,685, with only £3,942 earned in the second half.

Sales for the year rose from £4.26m to £4.42m. Profits were subject to tax of £27,392 (£69,745), and earnings per 10p share emerged at 1.18p (1.87p).

* * *

Grandmet International Services has formed two new joint venture companies operating in Hong Kong and China.

The new companies are GF International Services (Hong Kong) and GF International Services (China). The venture is a 50-50 equity share company and has been formed to perform management service contracts for construction sites, industrial catering, offshore rigs and platforms and small hotels, in Hong Kong and China.

GIS's partner is Fung Ping Fan Co, headed by Sir Kenneth Ping-Fan Fung.

* * *

Diversey, international chemical specialist, has acquired the Globe group of companies, as part of expanding its UK interests.

* * *

Leisuretime International — Hill Samuel Beech Trust holds 480,393 ordinary shares (5.38 per cent).

* * *

Thomas Warrington and Sons —Abbey High Income Equity Trust now holds 170,000 ordinary (5.65 per cent), registered in the name of the Royal Bank of Scotland Trustee Company A/C A131.

# Plessey in talks with Elettronica

PLESSEY, THE major British electronics company, is holding talks with Elettronica, Italy's leading maker of electronic warfare equipment, on the possibility of taking a substantial minority stake in the Rome-based company.

Neither company yesterday was prepared to say more than that talks were going on, but the British company is thought likely to take a 30 per cent stake in Elettronica for about £20m. Elettronica confirmed yesterday that discussions were in progress, but said it was also in contact with other companies.

Elettronica is considered to be one of Europe's leading companies in the design and manufacture of electronic equipment to detect and deceive hostile ships, aircraft and army formations. It is privately owned, with most of its shares controlled by the chairman and managing director, Sig Filippo Fratalocci. Last year it had sales of L176bn (£76m) compared with L130bn in 1982. Profits were not disclosed.

Partly because it is undercapitalised, with capital of L7bn, and partly because of its fast sales growth, Elettronica has been the subject of considerable interest from potential purchasers, including Selenia, the Italian state-owned electronics company, and Fiat.

FINANCIAL TIMES

Thursday April 19 1984



Texaco's $500m bond heads spate of new issues, Page 42

WALL STREET

# Positions begin to be trimmed

FINANCIAL markets on Wall Street turned nervous ahead of today's publication of the Commerce Department's revised figures of GNP growth for the first quarter, and a sharp fall in the bond market pulled stock prices down in its wake, *writes Terry Byland in New York.*

News yesterday of a renewed, albeit modest, rise in U.S. personal spending last month helped to depress bond prices. Long dated issues were down by about three quarters of a point early in

**The closing report on Wall Street and updated U.S. market monitors were not available because of industrial action at the Financial Times' printers in Frankfurt.**

the session with bond futures also weakening. Stock investors were also inclined to trim positions ahead of the extended weekend break for Easter.

By 3 pm the Dow Jones industrial average was 7.45 down at 1,157.14.

While the official data published over the past week have tended to confirm the predicted slowdown in the pace of the economy, there is still uncertainty ahead of the GNP revision for which market forecasts range from 6 per cent to 7.5 per cent.

To add to the mood of caution, there was some debate over the significance of the unexpectedly large fall in housing starts for March, since bad weather, as well as higher interest rates, has affected the industry significantly.

Today's money supply announcement is expected to show a rise in M1, and this was a further negative factor in yesterday's credit markets.

The initial downturn in stocks was led by most of the leading names. IBM at $111⅞ shed $½. General Motors at $64⅞ was $¼ off and Merck at $96⅝, was $¼ off. By midsession, however, stocks had rallied from their lowest levels.

The motor industry reporting season opened with a massive gain in earnings for the first quarter at Chrysler. But despite this it slipped $⅞ to $25⅞.

Defence stocks presented one of the firmer pictures in the market in the wake of the batch of trading statements. Northrop at $77½ gained $1, while Lockheed at $36½ was $⅞ better.

Among the consumer issues, Coca-Cola slipped by $⅛ to $54⅝.

Digital Equipment continued to slide lower at $89⅝, while Teledyne at $152½ gave up a further $⅞ as last week's trading statement continued to bite home. But firmer spots among the high technology issues included Apple Computer, which at $27⅞ held on to the gain which followed the trading results.

Texas Instruments at $137⅞ continued in demand, rising $¼ against the trend of the market. Burroughs at $50⅛ put on $¼, while Honeywell held unchanged at $56⅞.

Chemical issues to ease included Monsanto, $⅛ off at $91⅞, and Dow Chemical $⅞ lower at $31¼. General Electric shed $½ to $54½ while Crown Zellerbach, the paper products company, dipped $⅛ to $35⅞.

Among the day's major corporate reporters, stock in Continental Illinois fell by $1⅛ to $15¼ in heavy trading following the disclosure of results for the first quarter. AT&T was active on similar considerations but held unchanged at $15½.

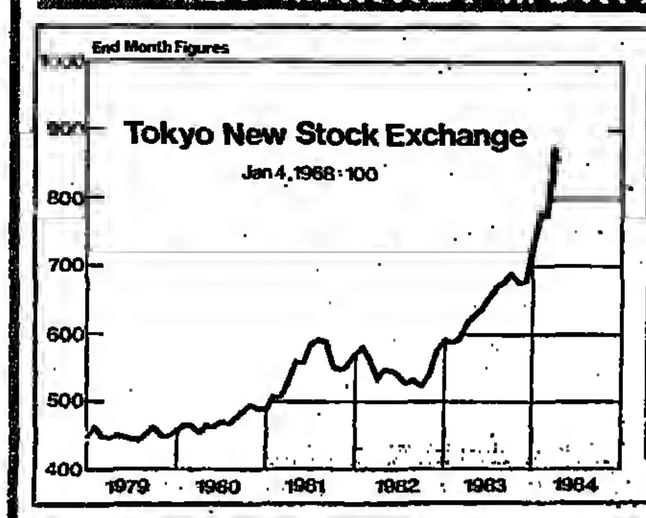
In the credit markets, technical factors ahead of the weekend break helped to push short-term rates ahead. The federal funds rate remained high at 10½ per cent, despite $2.5bn in customer repurchase help from the Federal Reserve.

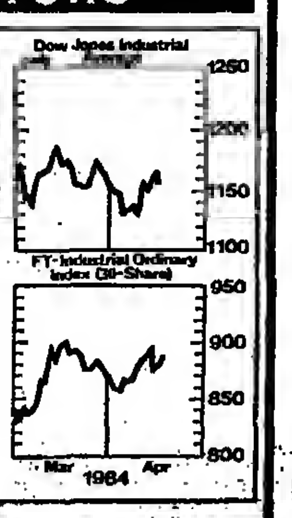
Treasury bill rates moved up, swiftly losing the easier trend which had followed the news of a reduction in the size of the traditional Monday auction of bills. Three-month bills, at 9.77 per cent discount, were eight basis points up, with the six-months at 9.86 per cent, nine basis points higher.

Treasury bond futures dipped through a support level to show a net fall of 1⅝₂ to 65¹¹⁄₃₂. In the bond market, retail interest was still thin but selling by market traders drove prices down. The key long bond of 2013 at 94²²⁄₃₂ was slightly above the worst with a fall of ²¹⁄₃₂, and yielding 12.67 per cent.

Later, with the funds rate showing no sign of coming down, the Fed returned with an offer to buy all bill maturities for its own system account but setting aside $200m worth for a customer, another attempt to aid liquidity.

## KEY MARKET MONITORS




**STOCK MARKET INDICES**

| | April 18 | Previous | Year ago |
|---|---|---|---|
| **NEW YORK** | | | |
| DJ Industrials | 1157.14* | 1164.57 | 1183.24 |
| DJ Transport | 500.93* | 502.98 | 529.78 |
| DJ Utilities | 126.83* | 126.64 | 126.48 |
| S&P Composite | 158.28* | 158.97 | 159.74 |
| **LONDON** | | | |
| FT Ind Ord | 888.6 | 879.8 | 678.2 |
| FT-SE 100 | 1116.2 | 1110.2 | 961.3 |
| FT-A All-share | 526.47 | 524.02 | 433.71 |
| FT-A 500 | 572.22 | 569.06 | 471.55 |
| FT Gold mines | 679.4 | 673.3 | 626.1 |
| FT-A Long gilt | 10.31 | 10.28 | 10.36 |
| **TOKYO** | | | |
| Nikkei-Dow | 10,932.85 | 10,906.40 | 8582.53 |
| Tokyo SE | 853.60 | 854.97 | 621.81 |
| **AUSTRALIA** | | | |
| All Ord. | 759.2 | 763.1 | 574.2 |
| Metals & Mins. | 539.5 | 542.1 | 530.6 |
| **AUSTRIA** | | | |
| Credit Aktien | 54.94 | 54.92 | 54.37 |
| **BELGIUM** | | | |
| Belgian SE | 154.37 | 154.37 | 122.8 |
| **CANADA** | | | |
| **Toronto** Composite | 2328.1* | 2333.9 | 2286.0 |
| **Montreal** Industrials | 418.15* | 419.23 | 386.79 |
| Combined | 396.19* | 396.57 | 380.36 |
| **DENMARK** | | | |
| Copenhagen SE | 192.87 | 192.11 | 138.53 |
| **FRANCE** | | | |
| CAC Gen | 171.6 | 171.1 | 121.0 |
| Ind. Tendance | 108.8 | 108.8 | 75.4 |
| **WEST GERMANY** | | | |
| FAZ-Aktien | 349.61 | 352.64 | 310.73 |
| Commerzbank | 1024.0 | 1031.9 | 931.4 |
| **HONG KONG** | | | |
| Hang Seng | 1090.20 | 1088.12 | 1040.97 |
| **ITALY** | | | |
| Banca Comm. | 216.37 | 214.33 | 190.64 |
| **NETHERLANDS** | | | |
| ANP-CBS Gen | 160.3 | 160.5 | 129.8 |
| ANP-CBS Ind | 128.0 | 128.5 | 108.2 |
| **NORWAY** | | | |
| Oslo SE | 281.47 | 281.40 | 163.51 |
| **SINGAPORE** | | | |
| Straits Times | 990.84 | 993.82 | 899.27 |
| **SOUTH AFRICA** | | | |
| Golds | n/a | 1023.9 | 924.7 |
| Industrials | n/a | 1053.9 | 889.4 |
| **SPAIN** | | | |
| Madrid SE | 115.49 | 115.75 | 113.73 |
| **SWEDEN** | | | |
| J & P | 1527.88 | 1517.49 | 1315.62 |
| **SWITZERLAND** | | | |
| Swiss Bank Ind | 373.4 | 373.3 | 317.9 |
| **WORLD** | April 17 | Prev | Year ago |
| Capital Int'l | 188.4 | 188.1 | 172.9 |

**GOLD (per ounce)**

| | April 18 | Prev |
|---|---|---|
| London | $378.00 | $380.25 |
| Frankfurt | $380.50 | $380.25 |
| Zürich | $380.25 | $380.25 |
| Paris (fixing) | $380.80 | $380.28 |
| Luxembourg (fixing) | $381.05 | $380.35 |
| New York (April) | $379.00* | $381.00 |

* *Latest available figure*

**CURRENCIES**

| (London) | U.S. DOLLAR April 18 | U.S. DOLLAR Previous | STERLING April 18 | STERLING Previous |
|---|---|---|---|---|
| $ | – | – | 1.418 | 1.4205 |
| DM | 2.649 | 2.6425 | 3.7575 | 3.755 |
| Yen | 224.85 | 225.0 | 319.0 | 320.0 |
| FFr | 8.1545 | 8.134 | 11.56 | 11.5525 |
| SwFr | 2.194 | 2.192 | 3.1125 | 3.115 |
| Guilder | 2.99 | 2.981 | 4.24 | 4.235 |
| Lira | 1637.0 | 1633.5 | 2320.5 | 2319.5 |
| BFr | 54.11 | 53.91 | 76.75 | 76.8 |
| C$ | 1.27995 | 1.2792 | 1.815 | 1.8175 |

**INTEREST RATES**

| | April 18 | Prev |
|---|---|---|
| **Euro-currencies** (3-month offered rate) | | |
| £ | 8⅞ | 8¹³⁄₁₆ |
| SwFr | 3¹³⁄₁₆ | 3¾ |
| DM | 5¹¹⁄₁₆ | 5¹¹⁄₁₆ |
| FFr | 13¼ | 13¼ |
| **FT London Interbank fixing** (offered rate) | | |
| 3-month U.S.$ | 11 | 11 |
| 6-month U.S.$ | 11¼ | 11¼ |
| **U.S. Fed Funds** | 10⅝* | 10⁹⁄₁₆ |
| **U.S. 3-month CDs** | 10.50* | 10.50 |
| **U.S. 3-month T-bills** | 9.76* | 9.73 |

**U.S BONDS**

| **Treasury** | April 18* Price | April 18* Yield | Prev Price | Prev Yield |
|---|---|---|---|---|
| 11½ 1986 | 99²⁴⁄₃₂ | 11.64 | 99²⁸⁄₃₂ | 11.55 |
| 12⅞ 1991 | 99⁸⁄₃₂ | 12.58 | 99¹⁸⁄₃₂ | 12.46 |
| 11.75 1993 | 95 | 12.66 | 95²⁴⁄₃₂ | 12.54 |
| 12 2013 | 94¹⁸⁄₃₂ | 12.70 | 95⁶⁄₃₂ | 12.61 |
| **Corporate** | April 18* | | Prev | |
| AT & T | Price | Yield | Price | Yield |
| 10⅜ June 1990 | 90⅞ | 12.55 | 90⅞ | 12.55 |
| 3⅞ July 1990 | 70⅝ | 10.40 | 70⅝ | 10.40 |
| 8⅜ May 2000 | 70⅞ | 13.15 | 70⅞ | 13.15 |
| Xerox | | | | |
| 10⅞ March 1993 | 88⅛ | 12.90 | 88⅛ | 12.90 |
| Diamond Shamrock | | | | |
| 10⅜ May 1993 | 87⅞ | 13.05 | 87⅞ | 13.05 |
| Federated Dept Stores | | | | |
| 10⅜ May 2013 | 81¼ | 13.10 | 81¼ | 13.10 |
| Abbot Lab | | | | |
| 11.80 Feb 2013 | 90⅛ | 13.10 | 90⅛ | 13.10 |
| Alcoa | | | | |
| 12⅛ Dec 2012 | 90⅜ | 13.55 | 90⅜ | 13.55 |

**FINANCIAL FUTURES**

| **CHICAGO** | Latest | High | Low | Prev |
|---|---|---|---|---|
| **U.S. Treasury Bonds (CBT)** 8% 32nds of 100% | | | | |
| June | 65–14 | 65–26 | 65–08 | 62–29 |
| **U.S. Treasury Bills (IMM)** $1m points of 100% | | | | |
| June | 90.01 | 90.07 | 89.98 | 90.09 |
| **Certificates of Deposit (IMM)** $1m points of 100% | | | | |
| June | 89.08 | 89.15 | 89.05 | 89.17 |
| **LONDON** | | | | |
| **Three-month Eurodollar** $1m points of 100% | | | | |
| June | 88.97 | 89.07 | 88.96 | 88.98 |
| **20-year Notional Gilt** £50,000 32nds of 100% | | | | |
| June | 106–27 | 107–09 | 106–27 | 107–04 |

**COMMODITIES**

| (London) | April 18 | Prev |
|---|---|---|
| Silver (spot fixing) | 647.90p | 644.75p |
| Copper (cash) | £1092.50 | £1089.00 |
| Coffee (May) | £2093.50 | £2084.00 |
| Oil (spot Arabian light) | $28.42 | $28.42 |

LONDON

# Corporate prompt to progress

THE FLOW of encouraging trading statements continued in London yesterday and was largely responsible for a more forceful extension of Tuesday's half-hearted recovery in leading shares. The FT Industrial Ordinary index rose 8.8 to 888.6 while the FT-SE 100 gained 6 points to 1116.2.

Two focal points were Hawker Siddeley, 14p higher at 486p, and ICI, 8p stronger at 616p. Analysts rated Hawker's second-half performance highly and turnover in the shares was again substantial, running into several million, while market leader ICI enjoyed renewed U.S. support overnight.

Gilts lost ground late with losses among longs as much as ¾.

*Chief price changes, 34; Details, Page 35; Share information service, Pages 36–37.*

## AUSTRALIA

OFFSHORE DRILLING news again featured in an otherwise dull pre-Easter Sydney as partners in the Timor Sea oil search were marked down on unconfirmed reports that the Eclipse 1 well had encountered gas instead of oil.

BHP, operator for the well, dropped 15 cents to A$11.50, with Weeks Australia down a similar amount to A$1.75 and Weeks Petroleum shed 40 cents to A$5.70.

Details of the new oil tax – effective from July and concerning mostly new, undeveloped, discoveries – were released later.

Elsewhere, industrial issues were mostly steady, while resource and metal mining shares declined. The All Ordinaries index finished 3.8 down at 759.2.

## SOUTH AFRICA

SUBDUED trading in Johannesburg saw most shares close firm ahead of the holiday break, with gold issues deriving strength from possible firmer bullion prices.

Industrial leader Barlow Rand recovered the 5 cents it lost in the previous session to finish at R14.45 while South African Breweries was steady at R7.60 in fairly heavy trading.

In financials, Sage Holdings was unchanged at R8.20.

## SINGAPORE

DESPITE a 2.98 point fall to 990.84 in the Straits Times index, many Singapore shares either held their ground or moved ahead slightly in thin trading as political uncertainties caused a measure of concern.

Malayan United Industries, the most active stock with 431,000 traded, rose 1 cent to S$2.83 while Times Publishing again fell victim to profit-taking with a 10-cent loss to S$8.65.

## HONG KONG

THE REGULAR half-day session in Hong Kong saw investors maintain their wait-and-see stance ahead of a visit by Sir Geoffrey Howe, the UK Foreign Secretary, following his recent talks in Peking over the future of the British colony. The Hang Seng index rose 2.08 to 1,090.20.

## CANADA

ENERGY issues moved higher in Toronto as golds and base metals stocks suffered sharp reversals. Property and utility shares managed small gains.

Banks were unchanged in Montreal as industrials proved to be the weakest sector.

TOKYO

# Tone turns firm but featureless

A WAIT-AND-SEE mood dominated the Tokyo stock market yesterday in the absence of any fresh incentives, but the Nikkei-Dow market average managed a moderate gain, *writes Shigeo Nishiwaki of Jiji Press.*

In featureless trading, non-ferrous metals and oils such as Mitsubishi Metal and Nippon Oil attracted speculative buying interest.

The market barometer of 225 select issues gained 26.45 to 10,932.85. But the Tokyo Stock Exchange index of all listed stocks in the first section dropped 1.37 to 853.60.

Declines outnumbered advances by 392 to 310 with 175 issues unchanged. Trading was thin at 356m shares, compared with 381.11m the previous day.

Investors were concerned at foreigners' continued small-lot selling of blue chips since February. Foreign buying of Japanese stocks on the Tokyo, Osaka and Nagoya stock exchanges last year exceeded selling by Y726.4bn. However, there is speculation that their activities from February to mid-April this year registered a selling excess of about Y400bn.

On the trading floor, non-ferrous metals were in the spotlight. Mitsubishi Metal, the most active stock with some 23.73m shares changing hands, jumped Y35 to Y750 and Sumitomo Metal Mining Y40 to Y1,740.

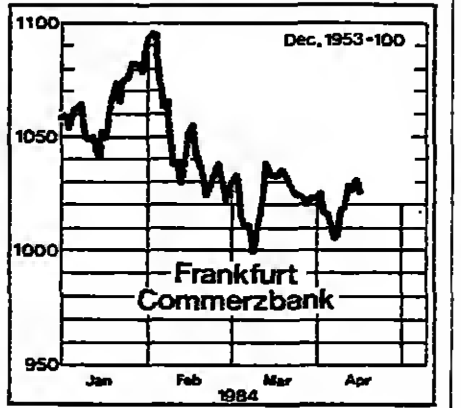
Oil issues were traded briskly. Nippon Oil, expected to resume test drilling next month in a joint Japan-South Korea oil exploration project on the continental shelf in the East China Sea, rose Y10 to Y1,210. Maruzen Oil advanced Y14 to Y354.

But Mitsubishi Oil dipped Y7 to Y599 under profit-taking pressure. The issue had attracted attention over the fate of 50 per cent of Mitsubishi Oil's outstanding shares held by Getty Oil of the U.S., recently taken over by Texaco.

Ikegai leaped Y48 to Y347 on its reported business tie-up with Tsugami in part of its reconstruction efforts. Tamagawa Metal added Y100 to Y786, spurred by increased demand for materials for electronic parts.

Conversely, Fuji Heavy Industries fell Y26 to Y424. The issue came under heavy selling pressure, triggered by its decision to stop production of its new Leone passenger car series. The company admitted engineers had secretly implaoted lead to adjust the vehicle weight before it was awarded its certificate from the Transport Ministry.

Bond prices firmed on the inter-broker market as the yen remained slightly higher against the U.S. dollar. The yield on the 7.5 per cent government, maturing in January 1993, edged down from 7.125 per cent on the previous day to 7.110 per cent. But the over-the-counter market traded cautiously.




EUROPE

# Frankfurt suffers strike fears

THE COLLAPSE of talks over a shorter West German working week – raising the prospect of a spate of strikes widening from the country's pace-setting metalworkers to affect much of industry and commerce – prompted an evaporation of foreign demand in Frankfurt yesterday.

No great rush to sell developed, but the dwindling turnover brought markdowns across the board which combined to leave the 60-share Commerzbank index 7.9 lower at 1,024.0.

Car makers were additionally affected by reports of a dip in domestic demand. Daimler Benz fell DM 7.50 to DM 558, BMW DM 4 to DM 396 and VW DM 4.10 to DM 203.50.

A sole bright spot, albeit unofficial, was when-issued demand for Porsche, with bidding reported as high as DM 1,100 for the DM 780-pitched flotation.

Banks relinquished much of Tuesday's good gains, although Bayerische Hypo did well to retain all but 50 pfg of its results-inspired DM 12.50 jump.

On the industrial side steelmaker Thyssen shed DM 1.80 to DM 84.90.

Domestic bonds were less affected and barely changed, allowing the Bundesbank to sell DM 63.8m in paper.

Other bourses continued the run-up – or perhaps run-down – to Easter in languid fashion. Amsterdam characterised the overall tone with a session which saw prices slip gently downward from a firm opening, with losses rarely extending beyond one guilder.

Banks and insurers came in for profit-taking, with ABN down Fl 2.50 at Fl 380.50 and Aegon, ahead of results due today, 50 cents easier at Fl 130.50.

Domestic bonds partially recouped losses of the previous session.

The Milan feature was Olivetti, buoyed L229 to L4,574 by its sparkling profits. But trading generally was busier and the outcome firmer than most centres – insurer Generali rose L510 to L37,300 and Credito Varesino L100 to L5,300.

Bonds were quiet, though, and marginally easier.

The last day of the Paris monthly account turned out mixed to firmer ahead of the calling of a confidence vote by the ruling Socialists. Amrep in oils, unable to be traded the previous session because of a lack of selling orders, surged FFr 63 to FFr 305 as the day's most prominent gain.

Food issues firmed in an otherwise dull Zurich, with Jacobs Suchard up SwFr 100 at SwFr 6,700 and Nestlé SwFr 30 ahead at SwFr 5,130. A slide into the red at Oerlikon-Bührle brought a SwFr 35 dip to SwFr 1,255. Bonds held steady.

Steels were strong in Brussels, particularly Arbed as the Luxembourg authorities paved the way for more investment aid for the industry. It added BFr 65 to BFr 1,745.

A cautious Stockholm recovery continued as activity centred on Electrolux, SKr 1 up at SKr 272, and Ericsson, which at SKr 334 was SKr 4 higher.

Electricals and banks led Madrid weakness.

*Prices at 3pm, April 18*

# NEW YORK STOCK EXCHANGE COMPOSITE PRICES

*Closing U.S. share prices were not available for today's edition because of industrial action at the Financial Times' printers in Frankfurt.*

Continued on Page 33

# AMERICAN STOCK EXCHANGE COMPOSITE PRICES

*Prices at 3pm, April 18*

Continued on Page 34

# NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 32

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

# WORLD STOCK MARKETS

## AUSTRIA

| April 18 | Price Sch% | + or — |
|---|---|---|
| Creditanstalt | 913 | ..... |
| Goesser | 325 | ..... |
| Interunfall | 409 | ..... |
| Laenderbank | 206 | +1 |
| Perlmooser | 354 | +2 |
| Steyr-Daimler | 149 | ..... |
| Veitscher Mag | 219 | ..... |

## BELGIUM/LUXEMBOURG

| April 18 | Price Frs. | + or — |
|---|---|---|
| ARBED | 1,745 | +65 |
| Banq Int A Lux | 5,200 | ..... |
| Bekaert B | 3,900 | +150 |
| Ciment CBR | 2,320 | +8 |
| Cockerill | 299 | +8 |
| Delhaize | 4,910 | −20 |
| EBES | 2,800 | +25 |
| Electrobel | 5,690 | −10 |
| Fabrique Nat | 2,970 | +20 |
| GB Inno BM | 3,300 | −15 |
| GBL (Brux) | 2,575 | −10 |
| Gevaert | 3,300 | +10 |
| Hoboken | 5,400 | +30 |
| Intercom | 2,055 | −20 |
| Kredietbank | 7,100 | ..... |
| Pan Hldgs | 9,920 | ..... |
| Petrofina | 7,530 | −10 |
| Royale Belge | 9,800 | +250 |
| Soc. Gen. Banq | 3,490 | −15 |
| Soc. Gen. Belge | 1,858 | ..... |
| Sofina | 5,970 | ..... |
| Solvay | 4,100 | −30 |
| Traction el | 3,605 | +5 |
| UCB | 5,300 | +200 |
| Vieille Mont | 4,160 | −40 |

## DENMARK

| Apr. 18 | Price Kr. % | + or — |
|---|---|---|
| Aarhus Olie | 380 | −2 |
| Andelsbanken | 249 | +6 |
| Baltic Skand | 508 | −10 |
| CopHandelsbank | 254 | ..... |
| D. Sukkerfab | 545 | ..... |
| Danske Bank | 245 | −1 |
| East Asiatic | 176 | +2 |
| Forenede Brygg. | 965 | ..... |
| Forenede Damp. | 180 | −5 |
| GNT Hldg | 610 | +5 |
| I.S.S.B. | 620 | ..... |
| Jyske Bank | 489 | +9 |
| Novo Ind | 2,455 | ..... |
| Privatbanken | 276 | +7 |
| Provinsbanken | 355 | +4 |
| Smidth (F.) | 225 | +3 |
| Sophus Berend. | 1,145 | ..... |
| Superfos | 620 | −4 |

## FRANCE

| April 18 | Price Frs. | + or — |
|---|---|---|
| Emprunt 4½% 1973 | 1,993 | −15 |
| Emprunt 7% 1973 | 9,691 | −18 |
| CNE 3% | 3,460 | +10 |
| Air Liquide | 564 | +4 |
| BIC | 434 | +3 |
| Bouygues | 707 | +4 |
| BSN Gervais | 2,585 | −20 |
| CIT-Alcatel | 1,992 | −19 |
| Carrefour | 1,515 | +25 |
| Club Mediter'n | 523 | +29 |
| CFAO | 658 | +1 |
| Cie Bancaire | 479 | +2.8 |
| Cofimeg | 221 | +3.2 |
| Creusot Loire | 37.2 | +0.8 |
| Darty | 929 | +19 |
| Dumez S.A. | 725 | −16 |
| Eaux (Cie Gen) | 559 | −12 |
| Elf-Aquitaine | 946.5 | +1.5 |
| Gen. Occidentale | 578 | +1 |
| Imetal | 83 | −0.8 |
| Lafarge Coppee | 388 | +8 |
| L'Oreal | 2,376 | −14 |
| Legrand | 1,865 | −5 |
| Maisons Phenix | 261 | −4 |
| Matra S.A. | 1,459 | ..... |
| Michelin B | 641 | −2 |
| Midi (Cie) | 1,449 | +4 |
| Moet-Hennessy | 1,510 | +15 |
| Moulinex | 107 | +4.9 |
| Nord Est | 47.4 | −0.5 |
| Pernod Ricard | 739 | +2 |
| Perrier | 548 | −5 |
| Petroles Fra. | 347 | +7.5 |
| Peugeot S.A. | 229.6 | −3.4 |
| Poclain | 48 | +9.2 |
| Printemps Au | 150 | −1 |
| Radiotech | 289.5 | ..... |
| Redoute | 1,200 | +5 |
| Roussel-Uclaf | 1,018 | +17 |
| Schneider S.A. | 107 | −2.5 |
| Sefimeg | 262 | +1.8 |
| Skis Rossignol | 1,363 | +3 |
| Telemech Elect. | 1,650 | +18 |
| Thompson (CSF) | 308 | −19 |
| Valeo | 274.5 | +1.5 |

## GERMANY

| Apr. 18 | Price Dm. | + or — |
|---|---|---|
| AEG-Telef | 95.1 | +0.8 |
| Allianz Vers | 782 | −7 |
| BASF | 162 | −1.8 |
| Bayer | 159.8 | −1.6 |
| Bayer-Hypo | 294 | −0.5 |
| Bayer-Verein | 349.8 | +1 |
| BHF-Bank | 283.8 | −2.5 |
| BMW | 398 | −4 |
| Brown Boveri | 221 | −2 |
| Commerzbank | 180.5 | −3.5 |
| Cont'l. Gummi | 130.2 | −1.1 |
| Daimler-Benz | 558 | −7.6 |
| Degussa | 404.7xd | −3.3 |
| Demag | 146 | ..... |
| D'sche Babcock | 182 | −5 |
| Deutsche Bank | 386.5 | −4.5 |
| Dresdner Bank | 178.8 | −4.2 |
| GHH | 149.5 | ..... |
| Hochtief | 515 | ..... |
| Hoechst | 178 | −1.5 |
| Hoesch Werke | 115 | −2 |
| Holzmann (P) | 423 | −14 |
| Horten | 195 | −1 |
| Kali und Salz | 195 | ..... |
| Karstadt | 265 | −1 |
| Kaufhof | 262 | ..... |
| KHD | 248 | −1.8 |
| Kloeckner | 63 | −0.5 |
| Krupp | 90.5 | −0.6 |
| Linde | 380 | −9 |
| Lufthansa | 167 | −2.8 |
| MAN | 153 | +5 |
| Mannesmann | 143 | −1.9 |
| Mercedes Hld | 494.5 | −5.6 |
| Metallgesell | 242 | −3 |
| Muench Rueck | 1,076 | +25 |
| Preussag | 279 | −1.5 |
| Rhein West Elect | 183.5 | −0.9 |
| Rosenthal | 230 | −2 |
| Schering | 353 | −1 |
| Siemens | 397.9 | −3.8 |
| Thyssen | 84.9 | −1.9 |
| Varta | 168 | −1 |
| Veba | 170.9 | −1.9 |
| V.E.W | 121.1 | −0.2 |
| Verein-West | 300 | ..... |
| Volkswagen | 203.5 | −4.1 |

## ITALY

| Apr. 18 | Price Lire | + or — |
|---|---|---|
| Banca Com'le | 34,220 | +20 |
| Bastogi-IRBS | 149 | ..... |
| Centrale | 1,860 | +80 |
| Credito Varesino | 5,300 | +100 |
| Fiat | 4,217 | +31 |
| Finsider | 37.6 | ..... |
| Generali Assicur | 37,300 | +910 |
| Invest | 3,390 | +68 |
| Italcementi | 49,000 | +350 |
| Montedison | 219 | +2.6 |
| Olivetti | 4,574 | +229 |
| Pirelli Co | 2,225 | +95 |
| Pirelli Spa | 1,813 | −7 |
| Snia BPD | 1,620 | +33 |
| Toro Assic. | 12,030 | ..... |
| do. Pref. | 9,301 | ..... |

## NETHERLANDS

| April 18 | Price Fls | + or — |
|---|---|---|
| ACF Holding | 180.5 | −2 |
| AEGON | 130.5 | −0.5 |
| Ahold | 194 | −1 |
| AKZO | 27.7 | −1 |
| ABN | 360.5 | −2.8 |
| AMEV | 156 | −1.3 |
| AMRO | 70.2 | −0.8 |
| Bredero Cert | 201 | +0.8 |
| Bos Kalis Westm. | 32.4 | −0.5 |
| Buehrmann-Tet. | 67.7 | +0.4 |
| Calland Hldgs | 36.8 | −0.8 |
| Credit Lyon'is Bk | 57.3 | +0.6 |
| Elsevier-NDU | 818 | −1 |
| Gist. Brocades | 134.3 | −0.2 |
| Heineken | 131 | −1.8 |
| Hoogovens | 49.2 | ..... |
| Hunter Douglas | 27.4 | −0.6 |
| Int Mueller | 34 | −0.2 |
| KLM | 174.9 | −1 |
| Naarden | 38.8 | −0.4 |
| Nat Ned Cert | 214 | −1.8 |
| Ned. Credit Bank | 40 | ..... |
| Ned Mid Bank | 152.8 | −0.5 |
| Nedlloyd | 130.5 | +0.6 |
| Oce Grinten | 240.5 | +1 |
| Ommeren (Van) | 30.0 | ..... |
| Pakhoed | 62 | −0.8 |
| Philips | 48.8 | −0.1 |
| Rijn-Schelde | 3.4 | −0.1 |
| Robeco | 324.8 | +0.3 |
| Rodamco | 134.4 | −0.1 |
| Rolinco | 319 | −1.5 |
| Rorento | 203.9 | +0.8 |
| Royal Dutch | 158.6 | +0.1 |
| Unilever | 255.8 | −0.3 |
| VMF Stork | 119.6 | −1.4 |
| VNU | 151 | +1.3 |
| West Utr Bank | 92.2 | +0.1 |

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

## NORWAY

| April 18 | Price Kroner | + or — |
|---|---|---|
| Bergen Bank | 161 | +1 |
| Borregaard | 325 | −1.5 |
| Christiania Bk | 195 | −1 |
| Den Norske Credit | 171.0 | ..... |
| Elkem | 173.5 | +1.5 |
| Norsk Data | 518 | −2.5 |
| Norsk Hydro | 517.8 | ..... |
| Storebrand | 231 | +9 |

## SPAIN

| April 18 | Price Pta% | + or — |
|---|---|---|
| Bco Bilbao | 293 | +4 |
| Bco Central | 519 | −2 |
| Bco Exterior | 201 | ..... |
| Bco Hispano | 294 | −1 |
| Bco Santander | 290 | ..... |
| Bco Vizcaya | 382 | −6 |
| Dragados | 145 | +1 |
| Hidrola | 47.5 | −0.7 |
| Iberduero | 54.5 | +0.3 |
| Petroleos | 112.8 | +0.5 |
| Telefonica | 81.2 | +0.2 |

## SWEDEN

| April 18 | Price Kronor | + or — |
|---|---|---|
| AGA | 375 | ..... |
| Alfa-Laval | 286 | +7 |
| ASEA (Free) | 347 | +4 |
| Astra (Free) | 500 | ..... |
| Atlas Copco | 131 | +3 |
| Boliden | 443 | +3 |
| Cardo (Free) | 426 | +10 |
| Cellulosa | 164 | +4 |
| Electrolux B | 279 | +1 |
| Ericsson | 334 | +4 |
| Esselte | 364 | +9 |
| Mo Och Domsjo | 630 | +15 |
| Pharmacia | 281 | +5 |
| Saab-Scania | 400 | +4 |
| Sandvik | 401 | ..... |
| Skandia | 393 | +1 |
| Skan Enskilda | 360 | +5 |
| SKF | 918 | +1 |
| St. Kopparbergs | 785 | +18 |
| Sven Handelsbn. | 199 | −1 |
| Swedish Match | 258 | −1 |
| Volvo B (Free) | 467 | +4 |

## SWITZERLAND

| April 19 | Price Frs. | + or — |
|---|---|---|
| Alusuisse | 940 | −18 |
| Bank Leu | 3,650 | ..... |
| Brown Boveri | 1,500 | −5 |
| Ciba Geigy | 2,270 | ..... |
| do. (Part Certs) | 1,745 | −8 |
| Credit Suisse | 2,240 | −6 |
| Elektrowatt | 2,590 | +5 |
| Fischer (Geo.) | 879 | −7 |
| Genevoise | 3,675 | +25 |
| Hoff-Roche PtCts | 100,250 | −250 |
| Hoff-Roche 1/10 | 10,028 | −478 |
| Jacobs Suchard | 6,700 | +100 |
| Jelmoli | 1,870 | +10 |
| Landis & Gyr | 1,445 | −6 |
| Nestle | 5,130 | +50 |
| Oer-Buehrle | 1,258 | −38 |
| Pirelli | 250 | −1 |
| Sandoz (Br) | 6,775 | −25 |
| Sandoz (PtCts) | 1,025 | ..... |
| Schindler (PtCts) | 890 | +10 |
| Swissair | 1,085 | ..... |
| Swiss Bank | 337 | +5 |
| Swiss Reinsce | 8,028 | +30 |
| Swiss Volksbk | 1,430 | ..... |
| Union Bank | 3,460 | +10 |
| Winterthur | 3,040 | −10 |
| Zurich Ins | 17,900 | +100 |

## AUSTRALIA

| Apr. 18 | Price Aust $ | + or — |
|---|---|---|
| ANZ Group | 3.7 | +0.06 |
| Acrow Aust. | 1.6 | ..... |
| Alliance Oil D. | 0.78 | +0.01 |
| Ampol Pet | 1.75 | −0.1 |
| Aust Cons Ind | 1.89 | −0.01 |
| Aust. Guarant | 2.73 | −0.02 |
| Aust. Nat. Inds | 2.65 | −0.03 |
| Aust. Paper | 2.02 | ..... |
| Ball Group | 6.4 | ..... |
| Bond Corp Hldgs | 1.33 | +0.03 |
| Boral | 3.69 | +0.02 |
| B'ville Copper | 2.68 | −0.02 |
| Brambles Inds | 2.85 | ..... |
| Bridge Oil | 2.90 | −0.05 |
| BHP | 11.6xa | −0.25 |
| CRA | 6.1 | −0.02 |
| CSR | 3.72 | −0.06 |
| Carlton Utd | 4.2 | ..... |
| Castlemaine Tys. | 4.66 | −0.03 |
| Coles (G.J.) | 3.7 | −0.02 |
| Comalco "A" | 3.1 | ..... |
| Consolidated Pet | 0.9 | −0.03 |
| Costain Aust. | 1.2 | +0.02 |
| Dunlop Aust. | 1.87 | ..... |
| E.Z. Inds | 5.8 | +0.04 |
| Elders IXL | 4.06 | +0.07 |
| Energy Res. | 1.48 | ..... |

## AUSTRALIA (continued)

| Apr. 18 | Price Aust. $ | + or — |
|---|---|---|
| Gen Prop Trust | 2.08 | +0.01 |
| Hardie (J.) | 3.4 | ..... |
| Hartogen Energy | 3.15 | −0.15 |
| Herald W'y Times | 5.3 | ..... |
| ICI Aust | 2.15 | ..... |
| Jimb'lana (50cFP) | 0.3 | ..... |
| Kia Ora Gold | 0.17 | +0.01 |
| Lend Lease | 4.9 | ..... |
| MIM | 3.87 | −0.06 |
| Mayne Nickless | 2.55 | +0.06 |
| Meekatharra | 0.75 | ..... |
| Myer Emp. | 1.2 | +0.02 |
| Nat. Com. Bk. | 5.67 | −0.03 |
| News | 10.4 | +0.2 |
| Nicholas Kiwi | 2.8 | ..... |
| North Bkn Hill | 2.8 | ..... |
| Oakbridge | 0.98 | −0.04 |
| Otter Expl. | 0.55 | −0.03 |
| Pancont'l | 1.33 | +0.05 |
| Pioneer Conc | 1.61 | −0.01 |
| Reckitt & Coln | 2.63 | −0.02 |
| Repco | 1.18 | ..... |
| Santos | 7.02 | ..... |
| Smith (H.) | 3.8 | ..... |
| Southland Min'g. | 0.40 | ..... |
| Spargos Expl | 0.4 | ..... |
| Thos. Nationwide | 1.99 | −0.01 |
| Tooth | 5.8 | ..... |
| Vamgas | 3.58 | +0.08 |
| Western Mining | 4.3 | −0.05 |
| Westpac | 3.86 | −0.01 |
| Woodside Petrol. | 1.17 | −0.01 |
| Woolworths | 2.4 | −0.02 |
| Wormald Intl. | 3.26 | −0.05 |

## HONG KONG

| Apr. 18 | Price H.K.$ | + or — |
|---|---|---|
| Bank East Asia | 24.5 | ..... |
| Cheung Kong | 9.9 | −0.1 |
| China Light | 12.9 | −0.1 |
| Hang Lung Devel | 2.97 | +0.07 |
| Hang Seng Bank | 40 | +0.75 |
| HK Electric | 5.25 | +0.05 |
| HK Kowloon Wh. | 4.28 | −0.02 |
| HK Land | 3.87 | −0.03 |
| HK Shanghai Bk | 7.35xa | ..... |
| HK Telephone | 45.75 | +0.25 |
| Hutchison Wpa | 17.3 | −0.2 |
| Jardine Math | 11.6 | ..... |
| New World Dev | 3.62 | +0.02 |
| Orient O'seas | 9.67 | +0.02 |
| O'seas Trust Bk | 3.52 | +0.02 |
| SHK Props | 7.5 | +0.1 |
| Swire Pac A | 18.7 | +0.4 |
| Wheel'k Mard A. | 3.72 | −0.03 |
| Wheel'k M'time | 9.05 | ..... |
| World Int. Hldgs | 9.37 | −0.05 |

## JAPAN

| April 18 | Price Yen | + or — |
|---|---|---|
| Ajinomoto | 1,140 | +20 |
| Alps Electric | 2,600 | −60 |
| Amada | 1,300 | −10 |
| Asahi Chem | 610 | +7 |
| Asahi Glass | 766 | +10 |
| Bridgestone | 518 | +4 |
| Canon | 1,330 | ..... |
| Casio Comp. | 1,380 | +40 |
| Chugai Pharm | 1,060 | −10 |
| Citizen | 595 | −7 |
| Daiei | 730 | +10 |
| Dai Nippon Ptg | 1,100 | −20 |
| Daiwa House | 471 | −9 |
| Ebara | 332 | −3 |
| Eisai | 1,080 | −30 |
| Fanuc | 9,290 | −110 |
| Fuji Bank | 1,040 | ..... |
| Fuji Film | 1,770 | +20 |
| Fujisawa | 820 | +5 |
| Fujitsu | 1,300 | −10 |
| Green Cross | 1,880 | −70 |
| Hasegawa | 380 | +2 |
| Heiwa Real Est. | 813 | −7 |
| Hitachi | 966 | −4 |
| Hitachi Credit | 1,820 | −20 |
| Honda | 1,120 | +10 |
| House Food | 775 | −1 |
| Hoya | 2,050 | −150 |
| Itoh (C) | 317 | −3 |
| Ito Yokado | 5,150 | +100 |
| Iwatsu | 1,890 | −40 |
| JACCS | 390 | −2 |
| JAL | 2,800 | ..... |
| Jusco | 840 | +10 |
| Kajima | 295 | ..... |
| Kao Soap | 819 | +9 |
| Kashiyama | 812 | +5 |
| Kirin | 690 | ..... |
| Kokuyo | 1,100 | −10 |
| Komatsu | 481 | −8 |
| Konishiroku | 650 | −5 |
| Kubota | 311 | −2 |
| Kumagai | 466 | −3 |
| Kyoto Ceramic | 8,280 | −100 |
| Maeda Const. | 501 | −8 |
| Makino Milling | 1,380 | −20 |
| Makita | 1,060 | +10 |
| Marubeni | 364 | +2 |
| Marudai | 620 | −10 |
| Marui | 1,270 | −40 |
| MEI | 1,930 | ..... |
| M'ta Elec Works | 784 | ..... |
| M'bishi Bank | 1,040 | ..... |
| M'bishi Corp | 560 | −4 |
| M'bishi Elec | 425 | −6 |
| M'bishi Estate | 836 | ..... |

## JAPAN (continued)

| April 18 | Price Yen | + or — |
|---|---|---|
| MHI | 244 | −4 |
| Mitsui Co | 358 | −7 |
| Mitsui Estate | 722 | +1 |
| Mitsukoshi | 349 | ..... |
| NGK Insulators | 780 | −5 |
| Nihon Cement | 314 | +2 |
| Nippon Denso | 1,540 | ..... |
| Nippon Elect | 1,400 | ..... |
| Nippon Express | 304 | −1 |
| Nippon Gakki | 630 | ..... |
| Nippon Kokan | 147 | ..... |
| Nippon Oil | 1,210 | +10 |
| Nippon Seiko | 649 | +14 |
| Nippon Shimpan | 660 | +2 |
| Nippon Steel | 177 | −1 |
| Nippon Suisan | 345 | +5 |
| NTV | 14,610 | −990 |
| Nippon Yusen | 248 | +1 |
| Nissan Motor | 670 | ..... |
| Nisshin Flour | 425 | +5 |
| Nisshin Steel | 211 | +6 |
| Nomura | 862 | +2 |
| Olympus | 232 | +2 |
| Omron Tateisi | 2,270 | ..... |
| Orient Leasing | 3,940 | −50 |
| Pioneer | 2,570 | −50 |
| Renown | 650 | −5 |
| Ricoh | 1,100 | +10 |
| Sankyo | 750 | −20 |
| Sanyo Elect. | 524 | −3 |
| Sapporo | 428 | −5 |
| Sekisui Prefab | 873 | +3 |
| Seven-Eleven | 8,530 | +30 |
| Sharp | 1,190 | −10 |
| Shimadzu | 592 | −6 |
| Shionogi | 628 | +5 |
| Shiseido | 1,190 | +20 |
| Sony | 3,700 | +30 |
| Stanley | 800 | −17 |
| S'tomo Bank | 1,180 | +10 |
| S'tomo Elect | 928 | +1 |
| S'tomo Marine | 810 | −8 |
| S'tomo Metal | 174 | −1 |
| Taihei Dengyo | 495 | +2 |
| Taisei Corp | 216 | ..... |
| Taisho Pharm | 1,000 | ..... |
| Takeda | 740 | +11 |
| TDK | 5,900 | +20 |
| Teijin | 422 | +7 |
| Teikoku Oil | 708 | +4 |
| Tokyo Marine | 646 | +1 |
| TBS | 905 | ..... |
| Tokyo Elect Pwr. | 1,300 | ..... |
| Tokyo Gas | 172 | −2 |
| Tokyo Sanyo | 810 | −11 |
| Tokyo Style | 805 | −5 |
| Tokyu Corp | 317 | −1 |
| Toppan Print | 809 | ..... |
| Toray | 455 | −3 |
| Toshiba Elect | 432 | −3 |
| TOTO | 848 | +3 |
| Toyo Seikan | 510 | −9 |
| Toyota Motor | 1,340 | −20 |
| Victor | 2,850 | ..... |
| Wacoal | 816 | +15 |
| Yamaha | 820 | +8 |
| Yamanouchi | 1,360 | −20 |
| Yamazaki | 760 | +9 |
| Yasuda Fire | 541 | −17 |
| Yokogawa Bdge. | 420 | −12 |

## SINGAPORE

| Apr. 18 | Price $ | + or — |
|---|---|---|
| Boustead Hldgs | 2.59 | −0.05 |
| Cold Storage | 4.38 | ..... |
| DBS | 10.15 | +0.05 |
| Fraser & Neave | 8.35 | ..... |
| Genting | 8.25 | −0.05 |
| Haw Par. Bros | 2.59 | ..... |
| Inchcape Bhd | 2.89 | −0.01 |
| Keppel Shipyard | 3.04 | ..... |
| Malay Banking | 10.3 | +0.1 |
| Malay Brew | 6.6 | ..... |
| Multi Purpose | 1.9 | ..... |
| OCBC | 10.6 | +0.1 |
| OUB | 4.38 | ..... |
| Sime Darby | 2.47 | −0.05 |
| Straits St'mship | 1.8 | +0.04 |
| Straits Trdg | 5.8 | −0.05 |
| UOB | 6.35 | ..... |

## SOUTH AFRICA

| Apr. 18 | Price Rand | + or — |
|---|---|---|
| Abercom | 2.48 | −0.05 |
| AE & CI | 8.50 | +0.05 |
| Anglo Am Coal | 29.25 | ..... |
| Anglo Am Corp | 24.75 | +0.25 |
| Anglo Am Gold | 182 | +1 |
| Barclays Bank | 20 | ..... |
| Barlow Rand | 14.45 | +0.05 |
| Buffels | 80.3 | +1 |
| CNA Gallo | 3.0 | ..... |
| Currie Finance | 3.25 | ..... |
| De Beers | 2.65 | +0.1 |
| Driefontein | 48.50 | +0.25 |
| FS Geduld | 65 | ..... |
| Gold Fields S.A. | 29.25 | −0.25 |
| Highveld Steel | 6.1 | ..... |
| Nedbank | 18.50 | +0.25 |
| OK Bazaars | 18.75 | ..... |
| Protea Hldgs | 3.0 | ..... |
| Rembrandt | 25.75 | +0.5 |
| Rennies | 15 | ..... |
| Rust. Plat | 15 | ..... |
| Sage Hldgs | 8.2 | ..... |
| SA Brews | 7.60 | ..... |
| Smith (C.G.) | 86.25 | +0.25 |
| Tongaat Hulett | 11.9 | ..... |
| Unisec | 3.56 | +0.05 |

## OVER-THE-COUNTER

*Nasdaq national market, 3pm prices*

| Stock | Sales (Hnds) | High | Low | Last | Chng |
|---|---|---|---|---|---|
| [illegible] | | | | | |

## LONDON

**Chief price changes**
(In pence unless otherwise indicated)

RISES

| | | |
|---|---|---|
| AMEC | 232 | + 7 |
| BL | 80 | + 6 |
| BOC | 292 | + 6 |
| Babcock Int'l | 163 | + 9 |
| Bank of Ire. | 380 | +15 |
| Bowater | 335 | +12 |
| Brit. Print | 196 | + 7 |
| Chapman Inds. | 245 | +17 |
| Distillers | 284 | +11 |
| Hawker Sidd. | 466 | +14 |
| Henriques (A.) | 46 | +12 |
| ICI | 616 | + 8 |
| Laing (J.) | 204 | + 7 |
| Midland Bank | 378 | + 8 |
| Pearson (S.) | 560 | +22 |
| RMC | 465 | +24 |
| Redland | 296 | + 8 |
| Smith & Nephew | 228 | +12 |
| Steetley | 267 | + 9 |
| Tarmac | 500 | +14 |
| Whatlings | 79 | + 5 |
| Eglinton Oil | 142 | +22 |

FALLS

| | | |
|---|---|---|
| Exch. 12pc 1998 | £106¾ | − ⅜ |
| Bank of Scot. | 645 | −10 |
| Commercial Un. | 217 | − 5 |
| Fogarty | 66 | −12 |
| Stylo | 195 | −13 |

Continued on Page 42

## CANADA

### TORONTO

*Prices at 2.30 pm April 18*

| Sales | Stock | High | Low | Close | Chng |
|---|---|---|---|---|---|
| [illegible] | | | | | |

### MONTREAL

*Closing prices April 17*

| Sales | Stock | High | Low | Close | Chng |
|---|---|---|---|---|---|
| [illegible] | | | | | |

# AMERICAN STOCK EXCHANGE PRICES

Continued from Page 33

| 12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close | Prev. Close | Ch'ge |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | | | |

MARKET REPORT

# Further good trading results force extension of equity market recovery

**Account Dealing Dates**

| Option *First Dealings | Declarations | Last Dealings | Account Day |
|---|---|---|---|
| Apr 9 | Apr 26 | Apr 27 | May 8 |
| Apr 30 | May 10 | May 11 | May 21 |
| May 14 | May 31 | June 1 | June 11 |

* "New-time" dealings may take place from 9.30 am two business days earlier.

The flow of encouraging trading statements continued yesterday and was largely responsible for a more forceful extension of Tuesday's half-hearted recovery in leading shares. Several leading groups reported favourable results but the two main focal points of the market were Hawker Siddeley and ICI. Analysts rated Hawker's second-half performance last year very highly and turnover in the shares was again substantial running into several millions.

Market leader ICI, which enjoyed resumed U.S. support overnight, immediately strengthened awaiting news from yesterday's annual meeting. Chairman John Harvey-Jones was later bullish about the group's trading prospects but the share price drifted back from the highest. Building Material and Construction issues were also prominent, being initially stimulated by sparkling preliminary profits from RMC and later by similar results from AMEC.

Selective support was also noted for other top quality industrials, but the market generally appeared to be running down ahead of the Easter Holiday. Allotment details of the tender offer-for-sale of the Government's remaining 19.4m shares in Associated British Ports aroused some excitement as the striking price slightly exceeded estimates; dealings in the new shares begin this morning.

Aided by exceptional rises in constituents Hawker Siddeley, ICI, BOC, Bowater, Grand Metropolitan and Distillers, the last-named again being subject to stake-building rumours or bid speculation, the FT Industrial Ordinary share index closed 8.8 up at 888.6. Wall Street's renewed dullness early yesterday made little impact on London sentiment.

Lower U.S. bond values, however, caused Gilt-edged securities to lose ground late. For much of the session a light two-way trade had failed to move quotations either way, but nervous sellers took command late in the afternoon and longer-dated Gilts closed with losses extending to ½ as in Exchequer 12 per cent 1998, at 106¼.

## Clearers stay quiet

Business among the major clearing banks was again moderate and prices moved narrowly. Lloyds closed 5 dearer at 625p and Midland 8 higher at 378p, while Barclays hardened a couple of pence to 480p. NatWest moved against the trend and shed 7 to 645p. Bank of Scotland fell 10 to 645p on the preliminary results and accompanying rights issue proposal. Elsewhere, Irish banks continued to reflect domestic advices with Allied Irish rising 7 to 175p and Bank of Ireland gaining 15 more to 360p. Provident Financial softened a penny to 164p despite the chairman's confident statement at the annual meetig. Speculative counter Minster Assets gave up 4 at 145p.

A shade firmer at the outset, Insurances drifted back on small selling to close a few pence lower on balance. Bid favourite Commercial Union finished 5 off at 217p and Guardian Royal Exchange lost a couple of pence at 583p. Among Life issues, Sun Life rose 7 to 600p following the satisfactory annual results. Elsewhere, Lloyds broker Minet shed 5 to 174p on scrappy selling.

Firm throughout the session, Distillers made further progress after the official close to finish 11 up on balance at 284p; South African group Rembrandt has denied recent market rumours that it has acquired a disclosable stake in Distillers. Breweries displayed modest gains, partly reflecting publicity given to a circular from brokers Raphael, Zorn. Bass firmed 5 to 355p, while Allied-Lyons rose 4 to 160p. Comment on the purchase of J. W. Cameron lifted Scottish and Newcastle a couple of pence to 118p, but North-Eastern neighbours Vaux lacked support and shed 3 to 214p.

The Building sector was enlivened at the outset by RMC's excellent annual results; the share price jumped to 476p prior to closing a net 24 higher at 465p. In sympathy, Tarmac moved up 14 to 500p and Redland 8 to 296p. Among Contracting and Construction issues, AMEC attracted a brisk business following the preliminary results and closed 7 dearer at 232p, after 234p. Buying ahead of the annual results, due on May 2, lifted John Laing 7 to 204p, but profit-taking in the wake of preliminary figures clipped a couple of pence off Tilbury Group, at 94p. Elsewhere, Whatlings put on 5 to 79p on rumours that Epicure had sold its entire 15.6 per cent stake to a single buyer.

ICI attracted support before and after the chairman's encouraging AGM statement and touched 620p before drifting back to close 8 higher on balance at 616p. Laporte continued to reflect the disposal of its titanium dioxide business to SCM Corporation of the U.S., hardening 3 more to 443p. Rentokil firmed 4 to 130p on late support, but Horace Cory shed 2½ to 31p following disappointing annual results.

## Bid for Henriques

Exposed to substantial speculative activity of late, Arthur Henriques provided a late feature in rising to 48p, for a net gain of 12, following the 30p per share offer from Maxmillian Enterprises; the former also revealed sharply reduced full-year profits and passed the final dividend. Quiet conditions prevailed elsewhere in Stores with Owen Owen easing a few pence to 160p despite the annual profits recovery. French Connection firmed 5 more to 340p, while fresh support was evident for Ellis and Goldstein, a couple of pence dearer at 51p.

Styln dipped 13 to 195p, after 193p; disappointment with the absence of any accompanying statement annulled the proposed 1-for-1 scrip issue and 42 per cent annual profits increase. Newbold and Burton again reacted to profit-taking and shed 4 more to 108p, but Allebone, which reported a sizeable upturn in annual profits, improved that much to 43p.

The Electrical leaders traded quietly, but secondary issues provided noteworthy movements. Bowthorpe, still benefiting from the preliminary figures, made further progress to 303p, up 6, while a late flurry of buying left MK Electric 10 up at 328p. Press mention prompted a similar rise to 184p in Resource Technology. Satisfactory preliminary results encouraged a rise of 7 to 270p in Microlease, while Dowding and Mills closed a couple of pence dearer at 57p following the increased interim dividend and profits. Arcoelectric improved 2 to 25p, also on trading news.

Hawker again held centre-stage in the Engineering sector following comment on the preliminary results; from a sharply higher early level of 484p, the price ran back quite sharply in extremely active trading to close at 466p for a rise of 14 on the day. Other leading Engineers passed a relatively quiet session, although TI touched 258p before settling only a couple of pence dearer at 254p. Elsewhere, Babcock featured with a rise of 9 to 163p in response to a broker's circular. Occasional buying interest lifted Brown and Tawse 5 to 112p, but Adwest, still reflecting disappointment with the half-year figures, eased 4 more to 146p.

Rowntree Mackintosh continued to trade actively on take-over speculation and touched 294p before reacting to close just 2 dearer on balance at 286p. Other leading Foods made a firm showing with Cadbury Schweppes rising 4 to 134p and United Biscuits gaining the same amount to 166p. Unigate, a dull market on Tuesday, rallied 3 to 122p, and Brooke Bond improved 2 to 79p. Elsewhere, Albert Fisher lost the turn, at 81p, following the rights issue proposal, but Squirrel Horn drew revived speculative demand and put on 3 to 45p.

Among Hotels and Caterers, Grand Metropolitan firmed 6 to 332p and Ladbroke 4 to 244p.

## Bowater in demand

The miscellaneous industrial leaders were usually a few pence easier on the day, but revived investment demand left Bowater 12 to the good at 335p and BOC 6 higher at 292p. Elsewhere, comment on the preliminary figures stimulated fresh support for S. Pearson, which closed 22 higher at the day's best of 560p. Buying after the full report left Smith and Nephew 12 to the good at 228p, but the warning about current trading, which accompanied the preliminary results, prompted weakness in Fogarty which fell 12 to 46p. Still reflecting the reduced interim dividend and half-year loss, Kalamazoo fell 6 further to 38p. Brook Street Bureau, in contrast, hardened a couple of pence to 72p following the annual results and encouraging statement on outlook. Partly reflecting the revival in building material shares, Steetley put on 9 to 267p and J. and J. Dyson 4 to 74p. Occasional demand lifted Low and Bonar 8 to 212p and Wedgwood 7 to 136p. Still mirroring the bid approach, Waterford improved afresh to 45p before settling without alteration at 43p.

The good annual results and scrip issue proposal made no apparent impact on Juliana's which closed without alteration at 450p, but the increased half-year profits and confident statement on second half prospects helped Samuelson Group rise 10 to 380p. Elsewhere in the Leisure sector, Leisuretime International met with revived speculative demand and put on 6 to 52p in a restricted market. Boosey and Hawkes touched 178p on the preliminary statement before reacting to close 3 cheaper on balance at 170p.

BL advanced 6 to 60p following the sharply reduced preliminary deficit. British Car Auction, depressed earlier in the week by the proposed £17m rights issue, rallied 7 at 117p, while Dunlop hardened the turn to 40p awaiting today's full-year figures.

Among generally subdued Publishers, Websters hardened a couple of pence further to 130p as the impressive full-year figures continued to outweigh the effects of the proposed rights issue. Elsewhere, a lively business developed in Mr Robert Maxwell's British Printing and Communication which advanced to 200p before settling a net 7 dearer at 196p after revealing a near-60 per cent expansion in preliminary profits. Olives Paper Mill, a recent speculative high-flyer, succumbed to sporadic profit-taking and dipped a few pence to 33p. Chapman Industries continued to benefit from publicity given to a Laing and Cruickshank circular and rose 17 to record a two-day gain of 35 to 245p. Aidcom International were quoted 2 dearer at 109p ex-the-rights issue; the new nil-paid shares opened and closed at 35p premium.

Quietly firm conditions prevailed in Properties. Land Securities edged up 3 to 285p and MEPC improved 4 to 305p, while British Land hardened a couple of pence to 127p. Stock Conversion rose 8 to 333p and Hammerson A 5 to 845p. Among second-line issues, London Provincial Shop firmed 7 to 305p.

In Textiles, Ireland's Sunbeam Wolsey rose 5 to 62p on news that Namaval now holds nearly 10 per cent of the equity.

## Eglinton advance

Irish issues provided the outstanding performances in oils. Eglinton Oil jumped 22 to a 1984 high of 142p in the wake of persistent speculative demand; the company is currently engaged in exploration drilling in Colombia and is expected to produce a drilling report at the end of May or early-June. Atlantic revived 6 to 70p, while Bryson put on 20 to 355p. Aran Energy hardened a penny to 62p.

Among leading domestic oils BP added 5 more at 500p; the company is expected to commence drilling an exploration well in the Porcupine Basin, off the west coast of Ireland this week. Britoil rose a similar amount to 270p and Burmah hardened 2 to 186p.

## Golds improve

Turnover in mining markets remained at minimal levels, but South African Gold shares continued to attract modest buying interest as bullion edged up to $381 before closing a net $2.25 lower at $378.

Tuesday's batch of quarterly reports were broadly in line with market estimates and had little impact on sentiment.

Among the mines reporting today, Southvaal were a strong market and rose ¾ to £45½, while Buffels put on ½ to £45¾ and Western Deep ¾ to £44¼. Free State Geduld, reporting an interim dividend as well as March quarter figures, advanced ¾ to £30¼, and President Brand rose a like amount to £40¼.

The Gold Mines index rose 6.1 more to 679.4.

Lack of interest left Financials with minimal losses. Among the London-domiciled issues, Consolidated Gold Fields and Rio Tinto-Zinc eased 2 apiece to 583p and 663p respectively.

Johannesburg support was again evident in Anglo American Corporation, which hardened ⅛ to £13⅝. De Beers edged up 2 to 543p.

Australians showed widespread falls. Leading issues were highlighted by Gold Mines of Kalgoorlie, finally 20 lower at 670p. MIM retreated 8 to 230p, while North Broken Hill and Peko-Wallsend lost 6 apiece to 150p and 334p respectively. Western Mining eased 3 to 274p. The recent oil discovery off the coast of Western Australia continued to boost Bond Corporation, which rose 2 more to 95p, while an encouraging drilling report from the Laverton joint venture left Hill Minerals a similar amount firmer at 35p.

Tins showed Tongkah Harbour 12 up at 370p.

Total contracts transacted in Traded Options amounted to 2,735. Business was dominated by ICI, which recorded 927 calls and 161 puts helped by the chairman's encouraging statement on outlook; the April 600 calls again proved popular, accounting for 450 trades and rising 13 to 20p; the first-quarter figures are due next Thursday.

## FINANCIAL TIMES STOCK INDICES

| | April 18 | April 17 | April 16 | April 13 | April 12 | April 11 | year ago |
|---|---|---|---|---|---|---|---|
| Government Secs ... | 81.94 | 82.03 | 82.05 | 82.43 | 82.56 | 82.68 | 81.64 |
| Fixed Interest ... | 86.31 | 86.30 | 86.28 | 86.42 | 86.46 | 86.43 | 84.03 |
| Industrial Ord. ... | 888.6 | 879.8 | 875.2 | 885.2 | 888.5 | 886.1 | 678.3 |
| Gold Mines ... | 679.3 | 673.3 | 672.5 | 673.6 | 670.8 | 668.3 | 626.1 |
| Ord. Div. Yield ... | 4.32 | 4.36 | 4.39 | 4.30 | 4.34 | 4.36 | 4.60 |
| Earnings, Yld.% (full) | 9.89 | 9.81 | 9.99 | 9.80 | 9.88 | 9.83 | 9.36 |
| P/E Ratio (net) (*) ... | 12.21 | 12.21 | 12.11 | 12.35 | 12.23 | 12.18 | 12.98 |
| Total bargains (Est.) | 22,028 | 22,534 | 24,696 | 24,686 | 25,013 | 24,229 | 23,500 |
| Equity turnover £m. | — | 292.26 | 283.01 | 320.97 | 306.31 | 382.31 | 320.11 |
| Equity bargains ... | — | 21,176 | 25,014 | 20,534 | 20,023 | 20,583 | 22,875 |
| Shares traded (ml) ... | — | 159.6 | 164.9 | 177.2 | 167.8 | 174.7 | 205.4 |

10 am 886.5. 11 am 886.3. Noon 887.4. 1 pm 887.8. 2 pm 888.6. 3 pm 888.2.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

*Nrl = 11.50.

## HIGHS AND LOWS

| — | 1984 High | 1984 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs | 83.77 (9/1) | 81.94 (18/4) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 87.48 (14/3) | 86.29 (18/4) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 901.4 (21/3) | 770.3 (4/1) | 901.4 (21/3/84) | 49.4 (26/6/40) |
| Gold Mines | 711.7 (5/3) | 690.2 (17/1) | 734.7 (15/2/83) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| | April 17 | April 16 |
|---|---|---|
| —Daily Gilt Edged Bargains ... | 161.2 | 183.8 |
| Equities Bargains ... | 137.9 | 149.1 |
| Value ... | 690.7 | 572.0 |
| 5-day Average Gilt Edged Bargains ... | 166.7 | 165.6 |
| Equities Bargains ... | 136.8 | 135.6 |
| Value ... | 629.8 | 587.8 |

## FT - SE 100 INDEX

| | |
|---|---|
| Close | 1116.2 (+6.0) |
| Day's high | 1118.9 (4.32 pm) |
| Day's low | 1114.2 (11.24 am) |

Base value = 1000 December 30 1983

## RISES AND FALLS YESTERDAY

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 5 | 71 | 29 |
| Corpns. Dom. and Foreign Bonds | 6 | 15 | 59 |
| Industrials | 299 | 218 | 894 |
| Financial and Props. | 105 | 62 | 355 |
| Oils | 23 | 20 | 77 |
| Plantations | 2 | 4 | 14 |
| Mines | 48 | 32 | 94 |
| Others | 92 | 43 | 76 |
| Totals | 580 | 465 | 1,598 |

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

| Stock | Closing price | Day's change |
|---|---|---|
| AMEC | 232 | + 7 |
| Bank of Scotland | 645 | − 10 |
| Bowater | 335 | + 12 |
| British Printing | 196 | + 7 |
| Commercial Union | 217 | − 5 |
| Hawker Siddeley | 466 | + 14 |
| ICI | 616 | + 8 |
| Pearson (S.) | 560 | + 22 |
| RMC | 465 | + 24 |
| Redland | 296 | + 8 |
| Rowntree Mackintosh | 286 | + 2 |
| Tarmac | 500 | + 14 |

## TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

| Stock | No. of changes | Tues. close | Day's change |
|---|---|---|---|
| Hawk. Siddeley | 28 | 452 | + 34 |
| Rowntree Mack. | 24 | 284 | + 26 |
| N.E.I. | 20 | 92 | + 7 |
| Pearson (S.) | 20 | 538 | + 38 |
| Body Shop New | 16 | 173 | + 13 |
| BAT Inds | 15 | 235 | − 9 |
| Glaxo | 14 | 875 | + 15 |
| BP | 13 | 495 | + 5 |
| Laporte Inds. | 13 | 440 | + 12 |
| Nat. West Bank | 13 | 652 | − 3 |
| Comm. Union | 12 | 222 | − 2 |
| STR | 11 | 474 | − 1 |
| Bass | 11 | 350 | − 7 |
| ICI | 11 | 608 | + 14 |

## OPTIONS

| First Dealings | Last Dealings | Last Declaration | For Settlement |
|---|---|---|---|
| Apr 16 | Apr 27 | July 26 | Aug 23 |
| May 8 | May 18 | Aug 9 | Aug 20 |
| May 21 | June 8 | Aug 30 | Sept 10 |

*For rate indications see end of Share Information Service*

Stocks favoured for the call included RHM, Sears, Waterford Glass, UKO, Tara Exploration, English Oil and Gas, Cosall, Camford, Benlox, Royal Bank of Scotland, Phoenix Properties, Aran Energy, Occidental Petroleum, C. H. Industrials and Oil Search. Once again, no puts or doubles were reported

# FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

## EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

| | Wed April 18 1984 Index No. | Day's Change % | Est. Earnings Yield% (Max.) | Gross Div. Yield% (ACT at 30%) | Est. P/E Ratio (Net) | Tues April 17 Index No. | Mon April 16 Index No. | Fri April 13 Index No. | Thurs April 12 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | | |

## FIXED INTEREST

| PRICE INDICES | Wed April 18 | Day's change % | Tues April 17 | xd adj. today | xd adj. 1984 to date |
|---|---|---|---|---|---|
| [illegible] | | | | | |

| AVERAGE GROSS REDEMPTION YIELDS | Wed April 18 | Tues April 17 | Year ago (approx.) |
|---|---|---|---|
| [illegible] | | | |

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

# EUROPEAN OPTIONS EXCHANGE

| Series | May Vol. | May Last | Aug. Vol. | Aug. Last | Nov. Vol. | Nov. Last | Stock |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

TOTAL VOLUME IN CONTRACTS 15,734

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

## EQUITIES

| Issue price p | Amount paid up | Latest Renunc. date | 1984 High | 1984 Low | Stock | Closing price p | + or − | Net div. | Times covered | Gross yield | P/E ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | | | |

## FIXED INTEREST STOCKS

| Issue price £ | Amount paid up | Latest Renunc. date | 1984 High | 1984 Low | Stock | Closing price £ | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |

## "RIGHTS" OFFERS

| Issue price p | Amount paid up | Latest Renunc. date | 1984 High | 1984 Low | Stock | Closing price p | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | |
| 40 | F.P. | 16.4 | 45 | 59 | Immed. Bus. Systems 10p. | 42 | + 2 |
| 23 | Nil | 11.5 | 2pm | ½pm | Sutcliffe Speakman | 1pm | |
| 60 | F.P. | 12.4 | 82 | 62 | TSL Thermal Syndicate | 66 | − 1 |

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ■ Allotment letters (or fully-paid). ‖‖ Introduction. Unlisted Securities Market. § Placing price. †† Official London Listing. * Offered as units, comprising one ord and one N/V A ord. ‡ No par value. ‡ Each unit comprises 5 shares and 1 warrant.

## NEW HIGHS AND LOWS FOR 1984

### NEW HIGHS (85)

BRITISH FUNDS (1)
Exchqr. 3pc 1985

FOREIGN BONDS (1)
Hungary '24 Ass.

AMERICANS (2)
Pillsbury; Tenneco

BANKS (6)
Allied Irish; Deutsche Bank; Bank of Ireland; Jessel Toynbee; Clive Discount; Seccombe Marshall

BUILDINGS (5)
French Kier; RMC; Laing (John); Smart (J.); McCarthy & Stone

CHEMICALS (2)
Croda Intl. Defd.; Thurgar Bardex

STORES (4)
Allebone; Forminster; Ellis & Goldstein; Henriques (A.)

ELECTRICALS (9)
Arcolectric A N-V; Int. Signal & Control; Bowthorpe; Norsk Data A; Datascribe Inc.; Std. Tel. & Cables; Dowding & Mills; VG Instruments; Forward Tech

ENGINEERING (3)
Brown & Tawse; Tellos; Hawker Siddeley

FOODS (3)
Hazlewood; United Biscuits; Needlers

HOTELS (1)
Kennedy Brookes

INDUSTRIALS (19)
Booker McConnell; MCO; Bowater; MY Dart; Christie-Tyler; Pearson (S.); Diploma; Polymark Cm. Pf. A; Eng. China Clays; Restmor; Foseco Minsep; Sandhurst Marketing; Glaxo; Schlumberger; Gomme; Smith & Nephew; Halma; Waterford Glass; Lamont Hldgs.

INSURANCE (1)
American Gen. Corp.

LEISURE (5)
Anglia TV A; Samuelson; Grampian TV A; Television Services; Norton Opax

MOTORS (2)
Appleyard; Davis (Godfrey)

NEWSPAPERS (1)
Websters

PAPER (4)
British Printing; Chapman Inds.; Bunzl; Smurfit (Jefferson)

PROPERTY (5)
Beazer (C. H.); Lon. Prov. Shop; Cap. & Counties; Prop. Sec. Inv.; Haslemere Ests.

SHIPPING (1)
Common Bros.

TEXTILES (2)
Atkins Bros.; Sunbeam Wolsey

TRUSTS (3)
Cambrian Gen. Cap.; Fleming Claverhouse; Danae Cap.

OILS (5)
Cie Fr. Petroles B; Petrofina; Eglinton Oil

MINES (2)
East Daggafontein; Western Holdings

### NEW LOWS (36)

BRITISH FUNDS (19)

COM'WEALTH & AFRICAN LOANS (1)
Zimbabwe Ann.

LOANS (2)
Nationwide 10⅞pc 30/4/84; Nationwide 10⅞pc 10/5/84

AMERICANS (1)
Derma-Lock Medical

CANADIANS (2)
Can. Pacific Ents.; Greenwich Res. Inc.

BUILDINGS (3)
Helical Bar; Ramus; McLaughlin & Harvey

ENGINEERING (1)
Midland Inds.

INDUSTRIALS (3)
Assoc. Telecom.; United Parcels; Initial

LEISURE (1)
Intasun

MOTORS (1)
Young (H.)

TEXTILES (2)
Carpets Internatl.; Dixon (David)

## LONDON TRADED OPTIONS

| Option | Calls Apr. | Calls July | Calls Oct. | Puts Apr. | Puts July | Puts Oct. |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |

| Option | Calls May | Calls Aug. | Calls Nov. | Puts May | Puts Aug. | Puts Nov. |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |

| Option | Calls June | Calls Sep. | Calls Dec. | Puts June | Puts Sep. | Puts Dec. |
|---|---|---|---|---|---|---|
| [illegible] | | | | | | |

Apr. 18. Total Contracts 2,735. Calls 1,829. Puts 906

*Underlying security price.

# FT LONDON SHARE INFORMATION SERVICE



## BRITISH FUNDS

### "Shorts" (Lives up to Five Years)

| 1984 High | 1984 Low | Stock | Price £ | + or − | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| 101⅞ | 100⅛ | Exch 14pc 1984 | 100½xd | −⅛ | 13.93 | 8.81 |
| 99¾ | 97⅜ | Exch 3pc 1984 | 99¼ | +⅛ | 3.03 | 8.38 |
| 101⅞ | 101¼ | Treas 12pc 1984 | 101⅜ | +⅛ | 11.85 | 8.78 |
| 105¼ | 104⅞ | Treas 15pc 1985 | 104⅝ | +⅛ | 14.34 | 9.09 |
| 102¼ | 102¼ | Exch. 12pc Cnv. '85 | 102⅜ | −⅛ | 11.71 | 9.15 |
| 94⅞ | 93⅜ | Treas 3pc 1985 | 94⅞xd | ..... | 3.16 | 8.10 |
| 102⅞ | 101⅞ | Treas 11½pc 1985 | 102⅜ | ..... | 11.24 | 9.44 |
| 99¼ | 98⅛ | Treas 8¾pc Cnv '85 | 98⅞ | ..... | 8.85 | 9.58 |
| 104⅞ | 102⅞ | Exch. 11¾pc 1985 | 103⅞xd | −⅛ | 11.83 | 9.79 |
| 103⅞ | 102⅛ | Exch 11¼pc '86 | 103¾ | +⅛ | 11.39 | 9.70 |
| 102⅜ | 100⅞ | Treas 10pc Cnv 1986 | 100½ | −⅛ | 9.95 | 9.71 |
| 90¼ | 88¼ | Treas 3pc 1986 | 89¼xd | ... | 3.36 | 8.77 |
| 102 | 100⅞ | Exch. 10½pc Cv '86 | 100⅞xd | ..... | 10.40 | 10.02 |
| 104⅞ | 102½ | Treas 12pc 1986 | 103⅜ | ..... | 11.61 | 10.17 |
| 98¼ | 97⅛ | Treas 8½pc 1984-86‡‡ | 97⅜ | ..... | 8.73 | 9.82 |
| 108⅞ | 107⅞ | Exch. 14pc 1986 | 108⅛xd | −⅛ | 12.94 | 10.25 |
| 87⅛ | 85 | Exch. 2½pc 1986 | 85⅜xd | ..... | 2.91 | 8.71 |
| 107⅞ | 106⅛ | Exch. 13¼pc 1987 | 106¾ | −⅛ | 12.41 | 10.31 |
| 100⅞ | 98⅞ | Treas 10¼% Cv '87 | 99⅞ | −⅛ | 10.18 | 10.34 |
| 86½ | 83⅞ | Exch 2½pc 1987 | 84 | ..... | 2.98 | 8.97 |
| 101⅞ | 99⅝ | Exch. 10½pc 1987 | 100⅛ | −⅛ | 10.49 | 10.44 |
| 92⅞ | 90¾ | Funding 6½pc '85-87‡‡ | 91⅛xd | −⅛ | 7.13 | 9.97 |
| 99⅝ | 97⅞ | Treas. 10pc 1987 | 98⅝ | −⅛ | 10.14 | 10.50 |
| 85 | 82⅛ | Treas 3pc 1987 | 82¾ | ..... | 3.63 | 9.28 |
| 105 | 103⅞ | Treas. 12pc 1987 | 104⅛xd | −⅛ | 11.52 | 10.55 |
| 94⅞ | 92 | Treas 7¾pc 1985-88‡‡ | 92⅞ | −⅛ | 8.34 | 10.07 |
| 100¼ | 99⅛ | Exch 10½pc '88 | 99⅞xd | −⅛ | 10.51 | 10.55 |
| 98⅞ | 96⅜ | Treas 9¾pc Cv '88 | 97⅛ | −⅛ | 10.01 | 10.54 |
| 82 | 79¼ | Transport 3pc '78-88 | 79⅛ | −⅛ | 1.79 | 9.08 |
| 96⅞ | 94⅞ | Treas. 9½pc '88 | 96⅛xd | −⅛ | 9.88 | 10.60 |
| 106¼ | 102⅞ | Treas 11½pc 1989 | 103⅛ | −⅛ | 11.15 | 10.63 |

### Five to Fifteen Years

| 1984 High | 1984 Low | Stock | Price £ | + or − | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| 103⅞ | 99⅛ | Treas. 10½pc 1989 | 102½ | ..... | 10.62 | 10.78 |
| 100⅞ | 96¼ | Exch. 10pc 1989 | 99½ | ..... | 10.39 | 10.94 |
| 70⅞ | 69 | Do. 10pc '89A (£70pd) | 69 | −⅛ | 10.37 | 10.92 |
| 85¼ | 80⅞ | Treas 5pc 1986-89 | 80⅞ | −⅛ | 6.19 | 9.57 |
| 112¼ | 107⅝ | Treas 13pc 1990‡‡ | 111½ | ..... | 12.02 | 11.03 |
| 110⅞ | 105½ | Exch. 11½pc 1990 | 107⅜ | +⅛ | 11.75 | 10.99 |
| 93¾ | 90½ | Treas 8¼pc 1987-90‡‡ | 92⅛ | −⅛ | 9.24 | 10.66 |
| 98⅞ | 90⅝ | Treas. 10pc Cv 1990 | 97¼ | −⅛ | 10.41 | 10.04 |
| 107 | 102¾ | Treas 11¾pc 1991 | 105¾ | −⅛ | 11.46 | 11.18 |
| 84⅛ | 79¼ | Funding 5¾pc '87-91‡‡ | 79⅛ | −⅛ | 7.29 | 10.09 |
| 105¼ | 99⅞ | Exch. 11pc 1991 | 99⅞xd | −⅛ | 10.99 | 10.99 |
| 112⅝ | 107⅜ | Treas 12¾pc 1992‡‡ | 111¼ | −⅛ | 11.79 | 11.13 |
| 100⅝ | 94⅝ | Treas 10pc 1992 | 97¾ | −⅛ | 10.40 | 10.72 |
| 111⅞ | 104¼ | Exch. 12¼pc '92 | 107⅜ | −⅛ | 11.60 | 11.20 |
| 117½ | 110 | Exch 13½pc 1992 | 112⅝ | −⅛ | 12.10 | 11.31 |
| 113⅞ | 107¼ | Treas 12½pc 1993‡‡ | 110⅝ | −¼ | 11.65 | 11.19 |
| 70¼ | 75 | Funding 6pc 1993‡‡ | 75 | ..... | 8.06 | 10.30 |
| 111¼ | 113⅝ | Treas 13¾pc 1993‡‡ | 113⅝xd | −¼ | 11.97 | 11.18 |
| 126¼ | 118⅝ | Treas 14½pc 1994‡‡ | 121¼ | −¼ | 12.10 | 11.13 |
| 110⅝ | 113 | Exch 13½pc 1994 | 113xd | −⅛ | 11.92 | 11.26 |
| 114⅛ | 106⅝ | Exch. 12½pc 1994 | 109⅝ | −¼ | 11.61 | 11.22 |
| 94½ | 89⅛ | Treas 9pc 1994‡‡ | 89⅞xd | −⅛ | 10.02 | 10.63 |
| 109¾ | 104⅞ | Treas 12pc 1995 | 107⅛ | −⅛ | 11.47 | 11.24 |
| 64¼ | 62⅛ | Gas 3pc '90-95 | 62⅛xd | −⅛ | 4.82 | 0.29 |
| 99¼ | 95⅝ | Exch. 10¼pc 1995 | 97½ | −⅛ | 10.79 | 11.03 |
| 117¾ | 109¾ | Treas 12¾pc 1995‡‡ | 109¾xd | −¼ | 11.52 | 11.09 |
| 122⅝ | 117¾ | Treas. 14pc '96 | 120¾ | −¼ | 11.93 | 11.28 |
| 94⅞ | 88¼ | Treas 9pc 1992-96‡‡ | 89⅝ | −¼ | 10.14 | 10.68 |
| 134⅞ | 125¼ | Treas 15¼pc 1996‡‡ | 125¼xd | −⅛ | 11.07 | 11.22 |
| 122⅝ | 113¾ | Exch 13¼pc 1996‡‡ | 113¼xd | −⅛ | 11.55 | 11.03 |
| 69½ | 66¼ | Redemption 3pc 1986-96 | 66½ | −⅛ | 4.52 | 7.12 |
| 120 | 115¼ | Treas 13¼pc 1997‡‡ | 117⅞ | −¼ | 11.55 | 11.06 |
| 104½ | 97¼ | Exch 10½pc 1997 | 99¼ | −¼ | 10.76 | 10.84 |
| 92½ | 86⅜ | Treas 8¾pc 1997‡‡ | 87¾ | −⅛ | 10.11 | 10.64 |
| 134⅝ | 125⅝ | Exch. 15pc 1997 | 125⅝xd | −⅛ | 11.91 | 11.22 |
| 95⅞ | 93¼ | Exch. 9¾pc 1998 | 93⅞ | −⅛ | 10.50 | 10.75 |
| 78 | 73¾ | Treas 6¾pc 1995-98‡‡ | 73¾xd | −¼ | 9.17 | 10.36 |
| 138⅝ | 130½ | Treas. 15½pc '98‡‡ | 131⅝ | −⅛ | 11.85 | 11.15 |
| 115 | 106¾ | Exch. 12pc 1998 | 106¾xd | −⅛ | 11.13 | 10.92 |
| 96 | 93 | Treas 9½pc 1999‡‡ | 94⅝ | −⅛ | 10.31 | 10.53 |
| 116¾ | 109⅞ | Exch. 12¼pc 1999 | 110⅜ | −⅛ | 11.18 | 10.93 |

### Over Fifteen Years

| 1984 High | 1984 Low | Stock | Price £ | + or − | Yield Int. | Yield Red. |
|---|---|---|---|---|---|---|
| 104½ | 97⅝ | Treas. 10½pc 1999 | 97⅝xd | −¼ | 10.66 | 10.71 |
| 101½ | 96 | Conversn 10¼pc 1999 | 96xd | −⅛ | 10.57 | 10.66 |
| 121½ | 117¼ | Treas. 13pc 2000 | 119¾ | −¼ | 11.21 | 10.88 |
| 126½ | 119½ | Treas. 14pc '98-01 | 119½xd | −¼ | 11.60 | 11.08 |
| 113½ | 109¼ | Exch. 12pc '99-02 | 116⅞ | −¼ | 11.11 | 10.89 |
| 99⅞ | 97⅛ | Conv. 10pc 2001 | 97⅞ | −¼ | 10.29 | 10.35 |
| 126¼ | 122⅞ | Treas. 13¾pc 2000-03 | 124⅞ | −¼ | 11.35 | 10.93 |
| 114⅞ | 107⅝ | Treas. 11½pc 2001-04 | 108¾ | −¼ | 10.67 | 10.50 |

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

## INDUSTRIALS—Continued

## INSURANCES

## LEISURE

## LEISURE—Continued

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

### Commercial Vehicles

### Components

### Garages and Distributors

## NEWSPAPERS, PUBLISHERS

## PAPER, PRINTING ADVERTISING

## PROPERTY

## PROPERTY—Continued

## SHIPPING

## SHOES AND LEATHER

## SOUTH AFRICANS

## TEXTILES

## TOBACCOS

## TRUSTS, FINANCE, LAND

### Investment Trusts

## INVESTMENT TRUSTS—Cont.

### Finance, Land, etc

## OIL AND GAS

## OIL AND GAS—Continued

## OVERSEAS TRADERS

## PLANTATIONS

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### Teas

## MINES

### Central Rand

### Eastern Rand

### Far West Rand

### O.F.S.

### Finance

### Diamond and Platinum

### Central African



## MINES—Continued

### Australians

### Tins

### Miscellaneous

## NOTES

Unless otherwise indicated, prices and net Dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" Distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" Distribution. Covers are based on "maximum" distribution; this compares gross Dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock".
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- Interim since increased or resumed.
- Interim since reduced, passed or deferred.
- Tax-free to non-residents on application.
- Figures or report awaited.
- Not officially UK listed; dealings permitted under Rule 163(4)(a).
- USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- Dealt in under Rule 163(3).
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- Forecast Dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted Dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on Dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover Does not apply to special payment. A Net dividend and yield. B Preference Dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

## REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

| | | | | | |
|---|---|---|---|---|---|
| | | | Fin. 13% 97/02 | £92¾ | ...... |
| Albany Inv 20p | 83 | ...... | Alliance Gas | 78 | ...... |
| Craig & Rose £1 | 900 | ...... | Arnott | 220 | ...... |
| Finlay Pkg. 5p | 54 | ...... | CPI Hldgs | 82 | ...... |
| Higsons Brew. | 103 | +1 | Carrol Inds. | 120 | +1 |
| Holt (Jos) 25p | 880 | ...... | Hall (R. & H.) | 58xd | ...... |
| IoM Stm. £1 | 149 | −1 | Heiton Hldgs. | 18 | ...... |
| **IRISH** | | | Irish Ropes | 53 | ...... |
| | | | Jacob (W.& R.) | 65 | ...... |
| Exch. 12% 1985 | £96¾xd | ...... | TMG | 50 | ...... |
| Nat. 9¾% 84/89 | £87¾ | ...... | Unidare | 70 | ...... |

## OPTIONS — 3-month call rates

| | | | | | |
|---|---|---|---|---|---|
| **Industrials** | | Hawker Sidd | 38 | Vickers | 14 |
| Allied-Lyons | 15 | Hse of Fraser | 26 | Woolworth Hldg. | 50 |
| BOC Grp | 27 | ICI | [illegible] | | |
| BSR | 26 | 'Imps' | [illegible] | **Property** | |
| Babcock | 17 | ICL | 7½ | Brit Land | 11 |
| Barclays Bank | 45 | Ladbroke | [illegible] | Cap Counties | 16 |
| Beecham | 32 | Legal & Gen | [illegible] | Land Secs | 25 |
| Blue Circle | 40 | Lex Service | [illegible] | MEPC | 25 |
| Boots | 16 | Lloyds Bank | [illegible] | Peachey | 17 |
| Bowaters | 25 | 'Lots' | 3 | Samuel Props | 12 |
| Brit Aerospace | 20 | Lucas Inds | [illegible] | Sterling Guar. | 4 |
| BAT | 15 | 'Mams' | [illegible] | | |
| Brown (J.) | 3 | Marks & Spcr | [illegible] | **Oils** | |
| Burton Ord | 22 | Midland Bk | [illegible] | Brit. Oil & Min. | 9 |
| Cadburys | 11 | NEI | [illegible] | Brit Petroleum | 35 |
| Comm Union | 16 | Nat West Bk | 60 | Burmah Oil | 17 |
| Courtaulds | 11 | P & O Dfd | 25 | Charterhall | 9 |
| Debenhams | 14 | Plessey | 20 | Premier | 6 |
| Distillers | 22 | Racal Elect | 18 | Shell | 55 |
| Dunlop | 5 | RHM | 8 | Tricentrol | 20 |
| FNFC | 6¼ | Rank Org Ord | 24 | Ultramar | 60 |
| Gen Accident | 42 | Reed Intnl | 40 | | |
| Gen Electric | 16 | Sears | 8 | **Mines** | |
| Glaxo | 70 | TI | 22 | Charter Cons | 24 |
| Grand Met | 30 | Tesco | 16 | Cons Gold | 58 |
| GUS 'A' | 55 | Thorn EMI | 55 | Lonrho | 12 |
| Guardian | 50 | Trust Houses | 18 | Rio T Zinc | 60 |
| GKN | 20 | Turner Newall | [illegible] | | |
| Hanson Tst | 13 | Unilever | 75 | | |

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

# FT UNIT TRUST INFORMATION SERVICE

## AUTHORISED UNIT TRUSTS

[illegible]

## INSURANCES

[illegible]

## Insurances—continued

[illegible]

## Offshore & Overseas—continued

[illegible]

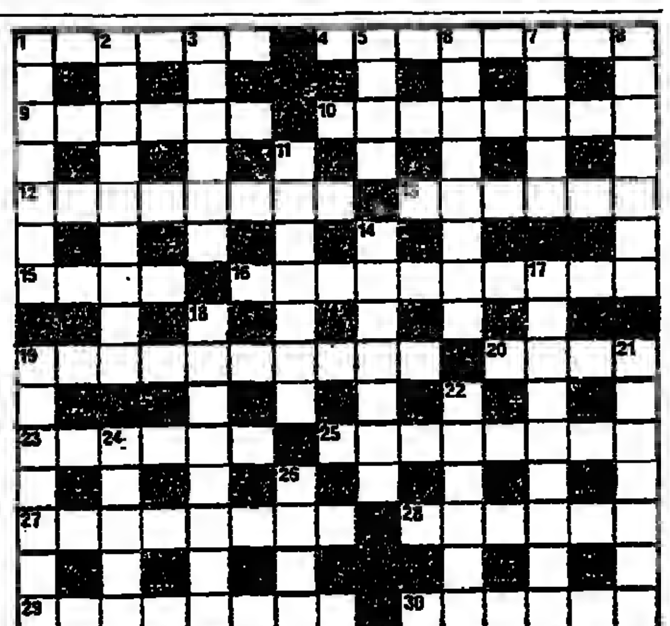
## Money Market Trust Funds

[illegible]

## Money Market Bank Accounts

[illegible]

## F.T. CROSSWORD PUZZLE No. 5,397



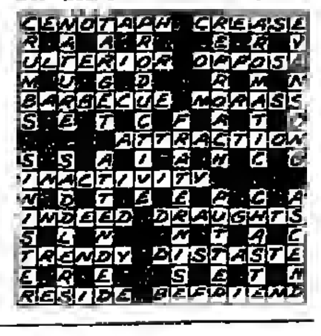
### ACROSS

1 Scrambled owl-egg scouts use in dressing (6)
4 Defence against swindle at university faculty (8)
9 Leader who emerged from a range (6)
10 "Mac's Sword" for opening of Cheltenham — bet something in addition (8)
12 Telling uncle, for example (8)
13 Product of potted oriental prunes (6)
15 Go on board? (4)
16 Lifter of craft — he hates knife involvement (5-5)
19 Motor people's bloomers (10)
20 Part of Walter Mondale's period in office . . . . (4)
23 . . . . in America, one is repaid the wrong way round (6)
25 Like many stones of staggering price, love us! (8)
27 A new paper (shorter edition) came on to the market (8)
28 Private soldier harboured bitterness, they say (6)
29 English lady let loose in such a high-spirited way (8)
30 Stevenson's better half (6)

### DOWN

1 It is beaten before the battle starts! (3-4)
2 Means of changing Elgar variation at any time (4-5)
3 Inclined to meet love in a penthouse (4-2)
5 Pieces of slaw can be boring things (4 )
6 Work at opening port (8)
7 Castles in the air (5)
8 Mix, if fresh, starred in westerns (7)
11 Just a second, free Jim the redcoat (7)
14 Weep about girl in row created by Steinbeck (7)
17 Bad choice taking a flat, we hear — puckish activity in it! (3-6)
18 Chaff not recommended for the elderly (8)
19 Hollow study — beware of schoolboys (7)
21 Alarmist, losing head, can get the wind up in France (7)
22 Thinly-spread butter and jam (6)
24 Browning's successful examinee? (5)
26 Cruel hill in Cumbria (4)

### Solution to Puzzle No. 5,396



# INSURANCE & OVERSEAS MANAGED FUNDS

## OFFSHORE AND OVERSEAS

| | | | | |
|---|---|---|---|---|
| Comm. Fund | 22.1 | 23.0 | .... | — |
| Fund | 61.8 | 64.4 | .... | — |
| Metal Fund | 138.1 | 143.7 | .... | — |
| Cmdy Fd | 34.6 | 35.5 | .... | — |
| Futures Fd | 64.3 | 67.0 | .... | — |
| Fnd * | $0.700 | 0.729 | .... | -0.003 |

## NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

# COMMODITIES AND AGRICULTURE

## Broken Hill strike helps lead values

BY RICHARD MOONEY

LEAD AND zinc prices were boosted yesterday following news that workers at Australia's Broken Hill mines had voted to continue their three-week-old strike.

A meeting of about 2,000 miners rejected a call from their union executive for them to resume work while negotiations continued for a new three-year wage agreement.

On the London Metal Exchange (LME) the cash lead price ended £13 up at £340.50 a tonne and the cash zinc price £12.50 up at £718 a tonne.

Dealers said there was fresh buying of lead and shortcovering in anticipation of further outgoings from LME warehouse stocks if the Broken Hill stoppage and action by workers at the Missouri mines of St Joe of the U.S. result in a disruption of world refined lead supplies.

The zinc market is less affected than lead by the strikes but was given extra encouragement yesterday by reports of Chinese physical demand and the prospect of next week's U.S. mint buying tender, dealers said. Labour unrest in Tasmania was a further bullish factor, they noted.

The Broken Hill miners' vote prompted Broken Hill Associated Smelters (BHAS), which obtains all its feed stock from the affected mines, to announce that it will close its Port Pirie lead smelter for at least two weeks after the first week in May if mine production is not resumed by April 26. It said any lost production would not be made up in 1984.

Though only a small amount of Port Pirie's production is shipped to Europe, the overall effect of a prolonged closure on world supplies could be quite drastic, London dealers said.

Most producers are already working at full capacity to meet improved demand for lead, they said.

One of the few sources of surplus lead available to all sectors of the trade to cover gaps in supplies is the LME warehouse stockpile of 119,700 tonnes.

## Marcos delays sugar plan

BY OUR MANILA CORRESPONDENT

PRESIDENT Ferdinand Marcos of the Philippines yesterday postponed implementation of a new sugar trading scheme to next August 31, the end of the present crop season, to give sugar planters and millers time to decide whether to trade the commodity on their own or through the National Sugar Trading Corporation (Nasutra), a subsidiary of the government's Philippine Sugar Commission (Philsucom).

The postponement was made by a presidential decree amending an earlier decree which set March 15 as the deadline for producers to make their decision.

Planters and millers had told Mr Marcos that mid-March was too soon for them to establish new or resume old marketing tieups abroad in case they should decide to get out of Nasutra, which has enjoyed a 100 per cent trading monopoly.

● At yesterday's weekly tender, the EEC Commission granted export licences for 66,350 tonnes of white sugar, down from 68,250 tonnes last week. The maximum export subsidy was set at 41.536 European currency units per 100 kilos.

## Reagan predicts more farm bankruptcies

FINANCIAL PROBLEMS may force almost ¼m U.S. farmers out of business this year, according to President Reagan.

He acknowledged that the expected number of bankruptcies and farm foreclosures — affecting about 4 per cent of U.S. farmers — would be well above the normal annual rate of 1 to 1.5 per cent.

America's agriculture economy has been financially hard hit by continued high interest rates, last summer's severe drought, falling farmland values and slumping world demand for U.S. commodities.

Reuter

● GRENADA plans to increase the volume of banana exports to Britain from current levels of 8,500 tonnes per year to 14,000 tonnes.

● SOUTH AFRICA'S maize crop is estimated at 4.12m tonnes, down from last month's estimate of 4.15m tonnes and last year's crop of 4.07m tonnes, the South African agriculture department said.

● RENEWED rainfall has raised hopes for a successful 1984 grain harvest after four years of drought. Reservoirs this month are at 55 per cent capacity and soil and harvest conditions are reported to be normal in Spain's farming regions.

● POLISH STATE purchases of animals for slaughter fell 15.6 per cent last month from March 1983, the statistical office said. Poland has already contracted to buy 100,000 tonnes of meat from abroad this year — up from 41,500 tonnes last year.

● THE U.S. is to supply Mexico with 6.1m tonnes of agricultural products this year, under an accord signed earlier this week.

## Stock less interested in hay while the sun shines

Farmer's viewpoint: By John Cherrington

FARMERS in the South of England will have no difficulty in meeting their reduced milk quota targets if the present dry, cold weather continues with hard frosts every night.

There has been very little grass growth and I haven't seen pastures looking so barren in mid-April for a long time. Normally, I would expect to see my neighbours' cows out at grass by April 7 and this spring grass always lifts milk yields.

Even where there has been some growth on new pastures sown last autumn it seems to have little body and once grazed off would be unlikely to shoot again until warmer damper days. It is always a matter of fine judgment when to start feeding the grass. Once cows have tasted it they don't take kindly to being put back on winter feeding rations of silage.

I have no cows myself, but the sheep have been on grass since they lambed. Those on the new sown pastures have done very well. The plants still retain some of the vigour of new seeds, stimulated of course by nitrogen fertiliser and there is a constant regrowth sufficient for the sheep which graze very close. But cows would find little sustenance from such short commons.

On the older permanent pastures it is a different story. Until last weekend they were brown and dead looking, the result of a good many frosts and icy winds. Things warmed up a bit then during the day and one could just see that the blades of grass were moving.

The sheep noticed them too and immediately spread out, nibbling the shoots almost into the ground and losing interest in hay.

Sheep will graze very close indeed. One famous grazing area was the Romney Marsh where the practice was to stock so heavily that the turf was very closely shaved. If there was any *growth at all it used* to be mown off with gang mowers.

I once tried to emulate the system on the Hampshire hills but it didn't work so well—Romney Marsh soils are much more fertile than mine. Much of the Marsh has been turned to arable land and there are fewer sheep there than 30 years ago.

The arable crops look very well. Last autumn's wheat and barley was drilled in a good seed bed. In fact sowings were substantially increased. The spring-sown acreage also went in very well in February and since then has made little growth at all.

There is not much evidence of disease but walking round my crops over the weekend, I thought they were beginning to suffer from a combination of drought and cold. They are still a very good colour which shows that the first dressings of nitrogen must have had some *effect, but they don't look very* lush.

When I was young it used to be said that a good crop of autumn sown wheat should hide a hare in March. I can see too many hares in the third week in April.

Part of this is due to the modern varieties which do not tiller as well as the older strains. Plant breeders now go for the production of grain, not straw. Given the restrictions on straw burning being imposed on us, this is maybe just as well.

But I have a feeling that the success of the harvest will depend on a marked change in the weather pattern within the next two weeks. Our crops are very thickly planted these days, and once they start growing, stimulated by really warm weather, they don't take long to reduce available moisture.

This is another feature of the newer strains. They are not as deep rooted as the older ones *and seem to need a regular* supply of rain.

An inch every Sunday till the first week of July would be ideal so that the week could be used for attending to the spraying and other treatment that modern wheats need to stay alive.

Paradoxically, as long as the grass grows the sheep don't need a lot of rain. Lambs thrive with a dry coat and most of mine are looking very well. I hope they will continue in the same way.

Among the so-called reforms of the EEC price package is an alteration in the guarantee price system which makes it essential to sell as many lambs as possible before the third week of June. If mine go on as they have started I might have some success in at least one of my lines of farming.

But there is no certainty in farming because we are still completely at the mercy of the weather. I have never known a complete failure in the British climate of everything all at once. But of course there is always a first time.

## Move to boost gold futures

HONG KONG—The Hong Kong Commodity Exchange (HKCE) is seeking to revive the local gold futures market where turnover has declined continuously since trading commenced on August 19, 1980.

Mr Rory Nicholas, HKCE management committee president, told Reuters that the exchange is studying the possibility of introducing a smaller *contract denominated in* Hong Kong dollars. At present, contracts are quoted in U.S. dollars per 100 ounce lot.

In the first quarter of 1984, average daily turnover was 24 lots, against 25 in 1983, 44 in 1982, 134 in 1981.

Mr Nicholas said a further option being studied is the introduction of a Krugerrand gold coin futures contract.

Reuter

## Palm oil futures trading rules relaxed

BY WONG SULONG IN KUALA LUMPUR

THE Kuala Lumpur Commodities Exchange (KLCE) has announced some relaxation of its stringent trading rules on palm oil futures to encourage greater activity. This has been lacking since the exchange resumed trading after a short suspension last month.

At the same time, a series of legal suits have been filed in the high court here by various parties involved in the default of palm oil contracts which led to the suspension of the KLCE on March 14.

The clearing house said in a statement yesterday that it was lowering the additional margin deposit cover for clearing members from 500,000 ringgit (£153,846) to 250,000 ringgit (£76,923) with immediate effect.

Syed Jabbar, the KLCE chief executive also announced that trading on the floor would now be limited to 10 lots of 25 tonnes each for any single deal. Previously, it was limited to five lots.

Since palm oil trading resumed on March 21, the volume traded had been very low — below 50 lots per day, compared with more than 1,500 lots daily before suspension.

This low volume reflects the unhappiness of traders over the additional margin cover demanded by the clearing house, as well as the absence of speculators in the market.

The *clearing house has* meanwhile sued suspended clearing member Matthes and Porton for 2.1m ringgit for allegedly defaulting on 761 lots of crude palm oil.

It was this default that sparked off events that led to the suspension of trading.

The state-owned Bank Bumiputra has also filed a libel suit against Mr C. G. Loo, the Malaysian franchise holder of *Kentucky Fried Chicken*.

Mr Loo, who admitted to being the man behind attempts to push down the palm oil price, was alleged to have written letters accusing the bank of defaulting on one of his cheques, valued at 6.6m ringgit.

In turn, Mr Loo has sued members of the Commodities *Trading Council* and the Commissioner of Commodities Trading for libel.

## Call for talks on gluten feed

WASHINGTON—The U.S. will seek to dissuade the EEC from moving ahead with its planned restrictions on imported maize gluten feed.

Mr Donald Phillips, Director of Commodity policy at the Office of the U.S. Trade Representative, said that the restrictions are not justified economically.

The EEC, citing Article 28 of the General agreement on Tariffs and Trade, has asked for talks with the U.S. to try to work out compensation for limiting imports of U.S. maize gluten feed to about 3m tonnes a year.

Mr Derwent Renshaw, of the EEC's Washington office, said stabilisation of gluten feed imports must be taken in the context of the overall farm reform package.

Reuter

## PRICE CHANGES

| In tonnes unless stated otherwise | Apr. 18 1984 | + or — | Month ago |
|---|---|---|---|
| **Metals** | | | |
| Aluminium | £1100 | ...... | £1100 |
| Free Mkt | $1410/1440 | ...... | $1465/485 |
| **Copper** | | | |
| Cash h Grade | £1092.5 | +6.5 | £1060.25 |
| 3 mths | £1108.5 | +5.25 | £1074.6 |
| Cash Cathode | £1093 | +4.25 | £1059.5 |
| 3 mths | £1102.5 | +7.5 | £1068.5 |
| Gold troy oz. | $378 | −2.25 | $382.25 |
| Lead Cash | £340.5 | +13 | £320.5 |
| 3 mths | £347.25 | +13 | £325.75 |
| Nickel | £4896 | ...... | £4838 |
| Free Mkt | 217/237c | ...... | 212/252c |
| Palladium oz. | $159.75 | +1.00 | $159.75 |
| Platinum oz. | £376.20 | +2.45 | £378.45 |
| Quicksilver† | $313-318 | ...... | $305/310 |
| Silver troy oz. | 647.90p | +3.15 | 668.65p |
| 3 mths | 663.80p | +2.48 | 682.85p |
| Tin cash | £8798.5 | +38.5 | £8395 |
| 3 months | £8798.5 | +26 | £8542.5 |
| Tungsten | $83.61 | +5.76 | $76.35 |
| Wolfram 22.04lb | $84/88 | ...... | $85/90 |
| Zinc | £718 | +12.5 | £720.5 |
| 3 mths | £707.5 | +6.5 | £701.75 |
| Producers | $1050/1095 | ...... | $1060 |

| | Apr. 18 1984 | + or — | Month ago |
|---|---|---|---|
| **Oils** | | | |
| Coconut (Phil) | $1170v | +20 | $1210 |
| Groundnut | $1160w | −5 | ‡ |
| Linseed Crude | ‡ | ...... | ‡ |
| Palm Malayan | $830v | +10 | $760 |
| **Seeds** | | | |
| Copra Phil | $730v | +10 | $780 |
| Soyabean (U.S.) | $316v | ...... | $330 |
| **Grains** | | | |
| Barley Fut. Sep. | £106.95 | ...... | £122.30 |
| Maize | £148.75 | ...... | £147.50 |
| Wheat Fut. Jly. | £129.75 | +0.45 | £126.55 |
| No2 Hard Wint | ‡ | ...... | ‡ |
| **Other commodities** | | | |
| Cocoa ship't* | £1867 | +15 | £1277 |
| Futures Jly | £1819 | +16.5 | £1816.5 |
| Coffee Ft. Jly | £2086 | +16.5 | £1975.5 |
| Cotton A index | 88.45c | +0.15 | 88.60c |
| Gas Oil May | $243.25 | −0.75 | $244.75 |
| Rubber (kilo) | 75.0p | −0.5 | 78p |
| Sugar (raw) | £112vz | +2 | £116.5 |
| Wooltops 64s | 470p kilo | ...... | 470p kilo |

‡ Unquoted. v May. z June. y April-May. w May-June. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

## LONDON OIL

A further drawdown in U.S. stocks and renewed attacks on shipping in the Gulf failed to affect the gas oil market, which opened a shade higher but quickly slipped back to Tuesday's closing levels. Easier physicals added to pressure on prices and the market made new lows on the close, reports Premier Man.

### SPOT PRICES

| | Latest | Change + or − |
|---|---|---|
| CRUDE OIL—FOB ($ per barrel) | | |
| Arabian Light | 28.40-28.45 | — |
| Iranian Light | 27.80-28.00 | +0.10 |
| Arab Heavy | 26.90-26.05 | +0.05 |
| North Sea (Forties) | 29.95-30.05 | −0.05 |
| North Sea (Brent) | 29.95-30.10 | −0.03 |
| African (Bonny Lt) | 30.05-30.10 | −0.04 |

| PRODUCTS—North West Europe ($ per tonne) | | |
|---|---|---|
| Premium gasoline | 274-278 | −1.0 |
| Gas Oil | 249-252 | −1 |
| Heavy fuel oil | 181-186 | −1 |

### GAS OIL FUTURES

| Month | Yest'day's close | + or — | Business Done |
|---|---|---|---|
| | $ U.S. per tonne | | |
| April | 248.00 | −0.75 | 248.25-247.5 |
| May | 243.25 | −0.75 | 244.75-243.0 |
| June | 242.00 | −0.75 | 243.25-242.0 |
| July | 242.00 | −0.75 | 243.00-242.0 |
| Aug | 244.25 | −0.75 | 245.00-244.5 |
| Sept | 246.70 | −0.75 | 248.00-246.7 |
| Oct | 245.00 | — | 249.00 |
| Nov | 250.75 | +0.25 | 250.75 |
| Dec | 253.00 | −2.00 | — |

Turnover: 920 (579) lots of 100 tonnes.

## GOLD MARKETS

Gold fell $2½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $377¾-378¼. The metal opened at $380¾-381¼ which proved to be the high of the day and touched a low of $377¾-378.

In Paris the 12½ kilo bar was fixed at FFr 99,600 per kilo ($380.80 per ounce) in the afternoon compared with FFr 99,500 ($380.70) in the morning and FFr 99,250 ($380.28) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 32,460 per kilo ($382.01 per ounce) against DM 33,300 ($381.26) and closed at $380.25-380.75 from $380-380.50.

In Zurich gold closed at $380.0-380.5 unchanged from Tuesday.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $381.05 from $380.35.

### LONDON FUTURES

| Month | Yest'days close | + or — | Business Done |
|---|---|---|---|
| | $ per troy ounce | | |
| April | 380.20-81.50 | +0.35 | — |
| June | 384.30-85.00 | −0.30 | 380.50-85.00 |
| Aug | 387.50-91.00 | −0.25 | — |
| Oct | 393.00-98.00 | −0.25 | — |
| Dec | 405.50-06.00 | — | — |
| Feb | 410.50-12.80 | −0.10 | — |

Turnover: 284 (147) lots of 100 troy ounces.

| | Apr. 18 | | Apr. 16 | |
|---|---|---|---|---|
| **Gold Bullion (fine ounce)** | | | | |
| Close | $377¼-378¼ | (£266¼-266½) | $380-380½ | (£267¼-267¾) |
| Opening | $380¾-381¼ | (£267½-268) | $380-380½ | (£267-267½) |
| Morning fixing | $380.25 | (£267.001) | $380.30 | (£267.196) |
| Afternoon fixing | $380.525 | (£268.013) | $380.20 | (£267.257) |
| **Gold and Platinum Coins Apr. 18** | | | | |
| Krugrnd | $382¼-390 | (£274½-275½) | King Sov | $94-95½ (£66¼-67¼) |
| ½ Krug. | $200¾-201½ | (£141½-142¼) | Victoria Sov | $94-95½ (£66¼-67¼) |
| ¼ Krug. | $102½-100¼ | (£72¼-72¾) | French 20s | $70½-82 (£65¼-57¼) |
| 1/10 Krug. | $41¾-42½ | (£29½-30) | 50 Pesos Mex | $465½-479½ (£338½-355¼) |
| Mapleleaf | $389-385¼ | (£274½-275) | 100 Cor.Aust | $366¼-372 (£252½-262¼) |
| New Sov. | $89-89¼ | (£62¾-63¼) | $20 Eagles | $620-640 (£457½-451½) |
| ½ New Sov. | $53¼-54 | (£37½-38) | Noble (Plat.) | $402¼-407¼ (£284¼-287¼) |

## EUROPEAN MARKETS

ROTTERDAM, April 18.

Wheat—(U.S. $ per tonne): U.S. Two Soft Red Winter May 169, mid June/mid July 152, Aug 151. U.S. Two Northern Spring 14 per cent protein April/May 186.50, May 184.50, June 182.50, July 182.50, Aug 177, Sept 175, Oct 177, Nov 178.50. U.S. Three Hard Amber Durum April/May 188, June 188, July 187, Aug 185, Sept 181, Oct 182.50, Nov 182. Canadian One Western Amber Durum April/May 203, June 203, Nov 200. Canadian Two Western Amber Durum April/May 199.

Maize—(U.S. $ per tonne): U.S. Three Yellow afloat ci Ghent 165, April 164.50, May 161, June 161.50, July/Sept 159, Oct/Dec 139 sellers. Argentine Plate afloat 166, April 164, May 164, June 164, July 164 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports April 310, May 308.25, June 310, July 311.70, Aug 312, Sept 301.25, Oct 280, Nov 279.75, Dec 282.40, Jan 286.10, Feb 290.50 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 215.50, April 215.50, May 214, April/Sept 221, May/Sept 220, Nov/March 227 sellers. Pellets Brazil afloat 229.50, April 224, May 219, April/Sept 225 sellers. Pellets Argentine afloat 221, May 219.50, June 220, April/Sept 221.50 sellers.

PARIS, April 18.

[illegible] 2083, July 2110 bid, Sept 2160-2166, Dec 2080/2095, March 2095 bid, May 2080 bid, July 2095 bid.

Sugar—(FFr per tonne): Aug 1435/1440, Oct 1540/1545, Dec 1635/1645, March 1800/1805, May 1880/1900, Aug 1960/1990. Sales at call nil accumulative total [illegible] lots. Yesterday's official turnover: 77,450.

## BRITISH COMMODITY PRICES

### BASE METALS

*BASE-METAL PRICES* gained ground on the London Metal Exchange. An easier trend in sterling against the dollar coupled with rumoured far eastern enquiry boosted forward COPPER to £1114 before a lack-lustre opening on Comex prompted a retreat to £1108 at the close. Renewed worries over the strike situation at Broken Hill in Australia encouraged sizeable speculative demand for LEAD which advanced to £348 prior to a close of £347.5. Speculative interest was also evident in ZINC which was finally £703.5. ALUMINIUM responded to currency considerations. Commission House buying and broker short covering and rose to £979.5.

### COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1096.50, three months £1112.50, 13, 12.50, 12, 12.50, 13, 12.50, 12, 11, 11.50, 11, 10.50, 11, 11.50. *Cathodes: Three months* £1103. Kerb: Higher Grade: Three months £1111.50, 12, 11.50. Afternoon: Higher Grade: Three months £1110, 10.50, 7.50, 8, 9, 8.50, 8. Cathodes: Three months £1103. Kerb: Higher Grade: Three months £1107, 8.50, 8, 7, 8, 8.50, 8, 7.50, 7. Turnover 42,975 tonnes. U.S. Producers 74.00-78.00 cents per pound.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| Higher Grade | £ | £ | £ | £ |
| Cash | 1096-.8 | +7 | 1092-3 | +5.5 |
| 3 months | 1111-.0 | +7.5 | 1108-9 | +5.25 |
| Settlem't | 1096.0 | +7 | — | — |
| Cathodes | | | | |
| Cash | 1090.5-4 | +5.25 | 1092-4 | +4.25 |
| 3 months | 1104-5 | +7 | 1102-3 | +7.5 |
| Settlem't | 1094 | +6 | — | — |

### TIN

Tin—Morning: Standard: Cash £8787, 85, three months £8790, 92, 91, 95, 8800, 8795, 93. High Grade: Cash £8835, three months £8830, 32. Kerb: Standard: Three months £8795, 98, 99, 8800. Afternoon: Standard: Three months £8800, 8797, 96, 99, 98. High Grade: Three months £8841. Kerb: Standard: Three months £8800, 1, 5. Turnover 3,755 tonnes.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 8835-6 | +44.5 | 8850-60 | +32.5 |
| 3 months | 8830-5 | +27.5 | 8840-1 | +10.5 |
| Settlem't | 8836 | +44 | — | ...... |
| Standard | | | | |
| Cash | 8785-7 | +35 | 8798-0 | +50.5 |
| 3 months | 8792-5 | +25 | 8798-9 | +25 |
| Settlem't | 8787 | +35 | — | ...... |
| Straits E. | $29.16 | — | — | ...... |

### LEAD

Lead—Morning: Cash £339, three months £345, 46, 47, 46.50, 46, 45, 45.50, 46, 46.50. Kerb: Three months £347, 47.50. Afternoon: Three months £348, 47, 46, 45.75, 45.50, 46, 47. Kerb: Three months £346, 46.50, 45, 46, 47, 47.50. Turnover 15,900 tonnes. U.S. Spot 25.00-28.00 cents per pound.

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 335-.5 | +9 | 340-1 | +13 |
| 3 months | 342.5-.75 | +3.25 | 347-.5 | +13 |
| Settlem't | 335.5 | +9 | — | ...... |

### ZINC

Zinc—Morning: Cash £721, three months £706, 6.50, 6, 7, 6.50. Kerb: Three months £707. Afternoon: Three months £706.50, 7. Kerb: Three months £706, 5, 6. Turnover 15,400 tonnes. U.S. Prime Western 53.00-53.75 cents per pound.

| ZINC | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 721-2 | +15.2 | 717-9 | +12.5 |
| 3 months | 706-.5 | +7.75 | 707-8 | +8.75 |
| Settlem't | 721.5 | +15 | — | ...... |

### ALUMINIUM

Aluminium—Morning: Three months £973, 74, 73, 73.50, 74, 77, 78, 77.50, 77, 77.50, 78. Kerb: Three months £977, 77, 77.50. Afternoon: Three months £977, 76.50, 76, 75, 72, 73, 74, 74.50. Kerb: Three months £974, 75, 76, 78, 77, 78, 78.50. Turnover 22,575 tonnes.

| Alumin'm | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 959-60 | +18.7 | 955.5-6 | +18.7 |
| 3 months | 977.5-8 | +17.5 | 974.5-5 | +17 |

### NICKEL

Nickel — Morning: Three months £3555, 53. Kerb: Three months £3555. Afternoon: Three months £3555, 53, 52, 50. Kerb: Three months £3550. Turnover 1,578 tonnes.

| NICKEL | a.m. Official | + or — | p.m. Unofficial | + or —† |
|---|---|---|---|---|
| Spot | 3475-80 | +24 | 3473-7 | +5.5 |
| 3 months | 3563-5 | +25.5 | 3550-2 | +4.5 |

### SILVER

Silver was fixed 3.15p an ounce higher for spot delivery in the London bullion market yesterday at 647.90p. U.S. equivalents of the fixing levels were: spot $9.207, up 3.2c; three-month $9.439, up 2c; six-month $9.704, up 2.6c; and 12-month $10.241, up 2.6c. The metal opened at 648½-651½p ($9.23-9.26) and closed at 643-646p ($9.12-9.15).

| SILVER per troy oz | Bullion fixing price | + or — | L.M.E. p.m. Unofficial | + or — |
|---|---|---|---|---|
| Spot | 647.90p | +3.15 | 640.00 | −6 |
| 3 months | 660.80p | +2.40 | 654.25p | −5 |
| 6 months | 675.70p | +2.75 | — | ...... |
| 12 months | 704.95p | +3.00 | — | ...... |

LME—Silver (2,000 oz contract): Cash 640.5p (646.5p); three months 654.25p (659.25p). Turnover: 0 (0).

Turnover: 65 (43) lots of 10,000 ozs. *Morning: Large cash* 649.5; *three months* 663.0. Kerb: three months 663.0. Afternoon large three months 661, 56, 55. Kerb: large three months 657, 56.

### COCOA

Despite overnight weakness the market moved higher on expectations that the 1983/84 world deficit would be over 100,000 tonnes, reports that Nigeria has sold all of its main crop and Dutch expectations of a 5-10 per cent rise in first quarter grindings.

| COCOA | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| May | 1806-07 | +15.5 | 1810-75 |
| July | 1818-20 | +18.5 | 1824-66 |
| Sept | 1807-08 | +9.5 | 1817-90 |
| Dec | 1763-58 | +2.0 | 1764-44 |
| March | 1741-42 | +4.5 | 1746-31 |
| May | 1738-41 | +4.0 | — |
| July | 1740-41 | −9.0 | — |

Sales: 6,692 (4,055) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for April 17: 113.50 (113.86): five-day average for April 19: 113.47 (113.41).

### SOYABEAN MEAL

The market opened unchanged in thin volume, reports T. G. Roddick, and remained in a narrow trading range with commission house support.

| | Yesterday's close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| April | — | — | — |
| June | 152.50-53.00 | +0.80 | 154.50-52.50 |
| August | 155.80-56.80 | — | 156.30-55.50 |
| October | 158.00-58.80 | — | 158.00 |
| Dec | 160.50-61.80 | +0.20 | — |

Sales: 66 (77) lots of 100 tonnes.

### SUGAR

| No. 4 Contract | Yesterday's close | Previous close | Business done |
|---|---|---|---|
| | £ per tonne | | |
| May | 112.00-15.00 | — | 115.50 115.00-12.00 |

| No. 6 Contract | $ per tonne | | |
|---|---|---|---|
| May | 181.20-81.40 | 181.80-82.00 | 184.40-81.20 |
| Aug | 174.80-75.00 | 174.20-74.40 | 170.40-74.20 |
| Oct | 186.00-85.20 | 185.60-85.80 | 189.20-85.80 |
| Dec | 192.80-93.20 | 192.80-93.20 | 196.00-92.80 |
| Mar | 213.80-13.20 | 212.60-12.80 | 214.80-12.80 |
| May | 220.40-20.00 | 220.20-20.40 | 222.80-20.80 |
| Aug | 229.80-30.40 | 229.60-30.00 | — |

LONDON DAILY PRICE—Raw sugar £112.00 ($160.00), up £2.00 a tonne fob April-May-June delivery. White sugar $171.50, up $1.50.

The market was quietly steady during the morning but prices eased later after the EEC released 66,350 tonnes of white sugar at this week's tender, reports C. Czarnikow.

Sales: No. 4 105 (55); No. 6 2,487 (2,366) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £218.75 (£218.75) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for April 17: Daily price 5.58 (5.95); 15-day average 6.18 (6.21).

### COFFEE

Despite overnight strength in New York, *extensive profit-taking kept* prices in check during the morning, reports Drexel Burnham Lambert. Trade buying resumed in the afternoon and with the New York market once more moving ahead new contract highs were posted in London on an active close.

| COFFEE | Yesterd'ys Close | + or — | Business Done |
|---|---|---|---|
| May | 2093-94 | +9.5 | 2095-78 |
| July | 2086-87 | +15.5 | 2088-65 |
| Sept | 2058-59 | +11.0 | 2060-48 |
| Dec | 2038-40 | +14.5 | 2035-22 |
| January | 1995-96 | +14.5 | 1996-78 |
| March | 1928-30 | +10.0 | 1925-13 |
| May | 1880-85 | +12.5 | 1885-70 |

Sales: 5,171 (7,605) lots of 5 tonnes.

ICO Indicator prices (U.S. cents per pound) fob April 17: Comp. daily 1979 144.28 (142.68); 15-day average 143.94 (143.90).

### GRAINS

Business done—Wheat: May 128.15-127.90, July 129.90-129.55, Sept 106.95-128.90, Nov 111.90-111.60, Jan 114.90-114.75, March 117.85-117.55. Sales: 302 lots of 100 tonnes. Barley: May 121.15-115.75, Sept 107.10 only, Nov 110.05 only, Jan 113.05-113.00, March 115.85-115.50. Sales: 64 lots of 100 tonnes.

Old crop wheat saw shipper short-covering in a firmer physical and remained in a range 25-55p up and closed just steady with barley meeting long liquidation in quiet trading. New crops were mixed in quiet trading, reports Muirpace.

| WHEAT Mnth | Yesterd'ys close | + or — | BARLEY Yesterd's close | + or — |
|---|---|---|---|---|
| May | 128.00 | +0.35 | 120.00 | −0.60 |
| July | 129.75 | +0.45 | — | — |
| Sept | 106.95 | +0.05 | 106.20 | — |
| Nov | 111.90 | — | 109.95 | — |
| Jan | 114.90 | +0.05 | 112.90 | −0.05 |
| Mar | 117.85 | +0.25 | 110.50 | −0.20 |

HGCA — Locational ex-farm spot prices. Feed barley: E. Mids 120.60, N. East 123.10, Scotland 122.90. The UK monetary coefficient for the week beginning Monday April 21 is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent June 138.50, July 137, Aug 134.25 sellers trans shipment East Coast. Maize: U.S. No. 3 Yellow French April 146.75, May 149.25 sellers East Coast. Rest unquoted.

### PIGMEAT

Pre-holiday quietness in physical trade was reflected by a lack of interest in futures and the market remained firm, reports CCST Commodities.

| Month | Yesterdays close | Previous close | Business done |
|---|---|---|---|
| | p. per kilo (deadweight) | | |
| June | 117.0 | 116.0 | 118.0-117.5 |
| Aug | 116.0 | 115.0 | 115.0-114.5 |
| Oct | 119.9 | 115.2 | 118.5-118.8 |
| Nov | 119.8 | 119.5 | 120.0-119.8 |
| Feb | 117.2 | 116.0 | 117.2-117.0 |
| April | 117.0 | 116.9 | 117.2-117.0 |

Sales: 100 (120) lots of 50 carcases 3,250 kilos.

### POTATOES

The market was steadier following higher Dutch futures and closed on a firm note, reports Coley and Harper.

| Month | Yesterdy's close | Previous close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| April | 202.60 | 199.50 | 200.0-198.0 |
| May | 215.80 | 206.90 | 210.0-210.0 |
| Nov | 66.20 | 64.90 | 66.50-65.00 |
| Feb | 74.00 | 75.00 | — |
| April | 86.80 | 85.40 | 86.30-85.00 |

*Sales: 750 (1,085) lots of 40 tonnes.*

### RUBBER

The London physical market opened about unchanged, drifted lower throughout the day and closed quiet and easier, reports Lewis and Peat. The Kuala Lumpur May fob prices for RSS No. 1 was 247.5 (250.5) cents a kg and for SMR 20 was 225.0 (227.0).

| No. 1 R.S.S. | Yesterday's close | Previous close | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| May | 740-765 | 748-780 | [illegible] |
| June | [illegible] | [illegible] | [illegible] |
| Jly-Sept | 781-782 | 791-792 | 790-778 |
| Oct-Dec | 810-814 | 820-822 | [illegible] |
| Jan-Mar | 853-854 | 841-843 | [illegible] |
| Apr-Jne | [illegible] | [illegible] | [illegible] |
| Jly-Sept | [illegible] | [illegible] | [illegible] |
| Oct-Dec | 894-896 | [illegible] | [illegible] |

Sales: [illegible]

### COTTON

Sales: 97 (91) lots of 15 tonnes, 0 (0) lots of 5 tonnes.

Physical closing prices (buyers): Spot 70.50p (76.00p); May 80.00p (80.50p); June 80.00p (80.50p).

LIVERPOOL — Spot and shipment sales amounted to 275 tonnes. Some useful buying was recorded with attention still centred on North and South American as well as some African qualities.

### WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 570, 572.0, 574.0-571.0; July 584.0, 586.0, 588.0-584.5; Oct 573.0, 574.0, 574.0; Dec 582.0, 582.0, 582.0-581.0; March 588.5, 592.0, untraded; May 601.0, 603.0, untraded; July 612.0, 618.0, 615.0; Oct 605.0, 616.0, untraded. Sales: 71.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 418, 425, 417-416; Aug 439, 442, 440-438; Oct 441, 443, 442-441; Dec 447, 449, 449-46; Jan 447, 449, 449-447; March 457, 460, 459-457; May 467, 470, 468-467; Aug 479, 483, 482-479; Oct 480, 484, 483-480. Sales: 147.

### INDICES

**FINANCIAL TIMES**

| Apr. 17 | Apr. 16 | M'th ago | Year ago |
|---|---|---|---|
| 305.62 | 305.73 | 303.37 | 270.71 |

(Base: July 1 1952=100)

**REUTERS**

| Apr. 18 | Apr. 17 | M'th ago | Year ago |
|---|---|---|---|
| 2007.3 | 2004.0 | 2006.4 | 1748.5 |

(Base: September 18 1931=100)

**MOODY'S**

| Apr. 17 | Apr. 16 | M'th ago | Year ago |
|---|---|---|---|
| 1071.9 | 1071.2 | 1077.0 | 1045.7 |

(Base: December 31 1931=100)

**DOW JONES**

| Dow Jones | Apr. 17 | Apr. 16 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 140.52 | 140.25 | 143.26 | 141.56 |
| Fut's | 142.10 | 142.12 | 146.29 | 146.53 |

(Base: December 31 1974=100)

### MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 98.61p per kg lw (−1.41). GB—Sheep 253.79p per kg est d c w (−1.31). GB—Pigs 87.51p per kg lw (−0.76).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 79.0 to 85.0. English hindquarters 102.0 to 107.0, forequarters 54.0 to 58.0. Veal—Dutch hinds and ends 118.0 to 125.0. Lamb—English small (new season) 124.0 to 130.0, medium (new season) 122.0 to 128.0, heavy (new season) 118.0 to 125.0; Imported: New Zealand PL (new season) 66.0 to 66.5. Pork — English under 100 lb 55.0 to 61.5, 100-120 lb 55.0 to 59.5, 120-160 lb 48.0 to 90.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package unless otherwise stated: English produce: Apples—per lb, Cox's 0.18-0.30, Im Red 0.10-0.15, Bramley 0.28, Laxton 0.14-0.17. Pears—per lb, Comice 0.18-0.24, Conference 0.11-0.22. Potatoes—Whites 5.60-6.20, Edwards 5.20-6.80, Bakers 7.50-8.00; New, Isle of Wight, per lb 0.80. Mushrooms—per lb, open 0.55-0.86, closed 0.80-0.90. Lettuce—per tray round 1.50-2.00. Onions—per 55-lb 7.80-8.00. Beetroots—28-lb round 2.80-3.00, long 3.20-3.40. Swedes—28-lb 1.20-1.60. Carrots—28-lb 2.40-3.20. Greens—30-lb Kent 3.00-3.50; 40-lb Cornish 6.00. Parsnips—28-lb 4.00-4.20. Leeks—per lb 0.16-0.18. Tomatoes—per lb 0.55-0.60. Cucumbers—Tray 3.60-4.20. Cauliflowers—Kent, dozen 4.50-4.80. Spring Onions—bunch 0.15-0.18. Rhubarb—Outdoor per lb 0.20-0.22. Radishes—Bunched 0.14-0.15.

Imported produce: Tangors: Jaffa: 8.00-8.40; Topaz: Jaffa: 4.80-5.60; Kerae: Spania: 3.60-4.20. Oranges: Spania: 4.20-4.40; Moroccan: Maroc lates 3.80-0.00; Jaffa: Shamoutis 20-kg 75 5.40, 88 4.70, 105 4.20, 123 4.10, 144 4.40, 168 0.00. Heder 60 3.90, 75 3.75. Valencia lates 15-kg 56 4.25, 72 3.80, 88 3.60, 100 3.40, 113 3.50; [illegible]

## AMERICAN MARKETS

NEW YORK, April 17.

Heating oil opened weaker but firmed during the day on nervous short-covering ahead of the industry stock report, reports Heinold Commodities. Sugar prices rallied late in the day on short-covering as the market failed to penetrate the 6 cent level. Cocoa prices came under pressure from dealer selling and finished moderately lower. Coffee continued to shake off indications of a higher quarterly quota and rose strongly again in a wave of technical buying. Cotton prices opened firm on reports of recent good export sales but lost some of the early strength on speculative selling. Precious metals found support on a stronger currency market.

**BECAUSE of the recent change in time differences between the U.S. and Britain, we are unable to carry yesterday's U.S. price changes in this edition.**

### NEW YORK

ALUMINIUM 40,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 63.45 | — | — | 63.00 |
| May | 63.65 | 64.10 | 63.30 | 63.20 |
| June | 63.96 | — | — | 63.50 |
| July | 64.65 | 64.85 | 64.45 | 64.16 |
| Sept | 65.88 | 66.00 | 66.00 | 65.25 |
| Dec | 67.45 | — | — | 66.90 |
| Jan | 68.00 | — | — | 67.45 |
| March | 69.10 | — | — | 68.56 |
| May | 70.20 | — | — | 69.65 |
| July | 71.30 | — | — | 70.75 |

COCOA 10 tonnes, $/tonnes

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 2389 | 2430 | 2375 | 2408 |
| July | 2433 | 2473 | 2420 | 2451 |
| Sept | 2461 | 2478 | 2425 | 2456 |
| Dec | 2386 | 2418 | 2375 | 2405 |
| March | 2386 | 2405 | 2376 | 2396 |
| May | 2395 | — | — | 2405 |
| July | 2395 | 2400 | 2400 | 2405 |

COFFEE "C" 37,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 151.19 | 151.25 | 150.30 | 149.47 |
| July | 146.14 | 146.40 | 143.75 | 143.72 |
| Sept | 142.75 | 142.75 | 141.50 | 141.60 |
| Dec | 139.44 | 139.50 | 138.75 | 138.28 |
| March | 137.50 | 137.50 | 136.50 | 136.01 |
| May | 135.14 | 135.25 | 135.00 | 134.00 |
| July | 134.00 | 135.00 | 134.00 | 133.00 |
| Sept | 132.25 | — | — | 130.76 |

COPPER 25,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 69.65 | 69.70 | 69.70 | 69.10 |
| May | 69.90 | 69.95 | 69.40 | 69.35 |
| June | 70.60 | — | — | 70.05 |
| July | 71.35 | 71.40 | 70.80 | 70.75 |
| Sept | 72.65 | 72.70 | 72.20 | 72.10 |
| Dec | 74.65 | 74.65 | 74.25 | 74.70 |
| Jan | 75.30 | — | — | 74.75 |
| March | 76.65 | 76.60 | 76.30 | 76.10 |
| May | 78.00 | 77.75 | 77.65 | 77.50 |
| July | 78.35 | 78.35 | 75.00 | 78.85 |

COTTON 50,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 78.67 | 79.12 | 78.50 | 78.48 |
| July | 78.66 | 79.08 | 78.46 | 78.42 |
| Oct | 76.15 | 76.50 | 76.10 | 76.06 |
| Dec | 74.20 | 74.83 | 74.10 | 74.22 |
| March | 75.80 | 75.75 | 75.60 | 75.60 |
| May | 76.40 | — | — | 76.30 |
| July | 76.60 | — | — | 70.50 |

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 30.66 | 30.71 | 30.61 | 30.69 |
| June | 30.58 | 30.60 | 30.49 | 30.58 |
| July | 30.52 | 30.52 | 30.41 | 30.53 |
| Aug | 30.44 | 30.44 | 30.38 | 30.46 |
| Sept | 30.41 | 30.40 | 30.36 | 30.44 |
| Oct | 30.37 | 30.39 | 30.35 | 30.41 |
| Nov | 30.33 | 30.36 | 30.33 | 30.38 |
| Dec | 30.32 | 30.35 | 30.31 | 30.36 |
| Jan | 30.31 | 30.25 | 30.31 | 30.38 |

GOLD 100 troy oz, $/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 381.0 | 381.4 | 380.0 | 379.0 |
| May | 382.8 | — | — | 381.5 |
| June | 385.4 | 386.0 | 384.8 | 384.5 |
| August | 392.4 | 392.7 | 391.7 | 391.3 |
| Oct | 399.2 | 400.0 | 399.1 | 398.7 |
| Dec | 407.4 | 408.0 | 406.5 | 406.3 |
| Feb | 415.5 | 415.5 | 415.1 | 414.4 |
| April | 423.5 | 422.5 | 422.5 | 422.4 |
| June | 432.0 | 432.5 | 432.5 | 430.9 |
| August | 440.8 | — | — | 438.7 |
| Oct | 449.6 | — | — | 448.5 |
| Dec | 458.7 | — | — | 457.4 |
| Feb | 468.0 | — | — | 466.3 |

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 79.75 | 80.10 | 79.70 | 80.04 |
| June | 77.98 | 78.70 | 77.95 | 78.01 |
| July | 77.75 | 77.80 | 77.25 | 77.77 |
| August | 78.52 | 78.75 | 78.30 | 78.70 |
| Sept | 79.60 | 79.78 | 79.25 | 78.70 |
| Oct | 80.55 | 80.50 | 80.80 | 80.65 |
| Nov | 81.50 | — | — | 81.60 |
| Dec | 82.45 | — | — | 82.55 |
| Feb | 84.00 | — | — | 84.00 |

ORANGE JUICE 15,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 179.00 | 181.00 | 177.30 | 181.25 |
| July | 177.10 | 180.00 | 170.00 | 180.45 |
| Sept | 175.70 | 177.75 | 175.10 | 178.50 |
| Nov | 173.20 | 175.50 | 172.40 | 176.00 |
| Jan | [illegible] | [illegible] | [illegible] | [illegible] |

PLATINUM 50 troy oz, $/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

SILVER 5,000 troy oz, cents/troy oz

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 924.1 | 920.0 | 920.0 | 917.6 |
| May | 928.5 | 928.0 | 919.0 | 921.0 |
| June | 935.3 | — | — | 929.7 |
| July | 943.9 | 946.0 | 936.0 | 938.2 |
| Sept | 961.5 | 962.0 | 955.0 | 955.7 |
| Dec | 988.5 | 991.0 | 981.0 | 982.5 |
| Jan | 997.9 | — | — | 991.9 |
| March | 1010.9 | 1014.0 | 1012.0 | 1010.7 |
| May | 1036.9 | — | — | 1030.5 |
| July | 1057.9 | 1054.0 | 1054.0 | 1051.3 |

SUGAR WORLD "11" 112,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 6.15 | 6.17 | 6.01 | 6.08 |
| July | 5.63 | 5.68 | 5.46 | 5.50 |
| Sept | 7.00 | 7.07 | 6.85 | 6.91 |
| Oct | 7.28 | 7.34 | 7.11 | 7.17 |
| Jan | 7.93 | 7.88 | 7.80 | 7.85 |
| March | 8.45 | 8.54 | 8.35 | 8.41 |
| May | 8.78 | 8.88 | 8.69 | 8.75 |
| July | 9.15 | 9.20 | 9.05 | 9.10 |
| Sept | 9.48 | 9.35 | 9.35 | 9.38 |

### CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 70.70 | 70.85 | 70.40 | 70.60 |
| June | 67.02 | 67.35 | 66.97 | 67.25 |
| Aug | 63.77 | 64.05 | 63.75 | 64.00 |
| Oct | 62.50 | 62.67 | 62.50 | 62.62 |
| Dec | 63.42 | 63.70 | 63.40 | 63.65 |
| Feb | 63.40 | 63.65 | 63.40 | 63.62 |

LIVE HOGS 30,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| April | 49.82 | 50.00 | 49.50 | 49.57 |
| June | 56.17 | 56.87 | 55.96 | 56.40 |
| July | 58.55 | 59.37 | 58.37 | 59.82 |
| Aug | 58.47 | 59.07 | 58.35 | 58.62 |
| Oct | 55.45 | 55.82 | 55.35 | 55.65 |
| Dec | 55.80 | 55.90 | 55.52 | 55.92 |
| Feb | 54.52 | 54.65 | 54.25 | 54.45 |
| April | 51.25 | 52.05 | 51.25 | 52.00 |
| June | 53.30 | 53.60 | 53.30 | 53.50 |

MAIZE 5,000 bu min, cents/56lb-bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 351.6 | 354.0 | 351.0 | 352.5 |
| July | 350.4 | 351.6 | 349.4 | 350.2 |
| Sept | 319.4 | 320.0 | 318.4 | 318.0 |
| Dec | 298.0 | 299.0 | 297.8 | 297.5 |
| March | 307.4 | 307.8 | 306.2 | 306.4 |
| May | 310.5 | 311.0 | 310.0 | 310.2 |

PORK BELLIES 38,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 69.37 | 70.87 | 68.37 | 70.37 |
| July | 69.70 | 71.35 | 68.75 | 70.75 |
| Aug | 67.17 | 69.80 | 67.15 | 68.15 |
| Feb | 76.15 | 77.70 | 75.80 | 76.97 |
| March | 74.90 | 76.10 | 74.90 | 76.65 |
| May | 76.40 | 77.10 | 76.15 | 77.40 |
| July | 76.00 | 78.46 | 77.27 | 78.47 |
| Aug | 75.00 | 75.00 | 75.00 | 76.40 |

SOYABEANS 5,000 bu min, cents/60lb-bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 770.6 | 777.0 | 770.0 | 772.0 |
| July | 782.2 | 787.4 | 781.4 | 781.0 |
| Aug | 775.0 | 779.0 | 775.4 | 774.2 |
| Sept | 742.0 | 745.4 | 742.0 | 741.0 |
| Nov | 713.2 | 717.0 | 713.0 | 715.0 |
| Jan | 725.4 | 729.0 | 725.4 | 726.4 |
| March | 737.4 | 740.0 | 737.4 | 738.4 |
| May | 745.4 | — | — | 746.4 |
| July | 752.4 | — | — | 751.4 |

SOYABEAN MEAL 100 tons, $/ton

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 189.7 | 191.0 | 189.0 | 190.3 |
| July | 195.0 | 196.5 | 194.8 | 195.7 |
| Aug | 196.8 | 198.0 | 196.5 | 197.3 |
| Sept | 196.7 | 197.0 | 196.5 | 196.5 |
| Oct | 191.0 | 193.0 | 191.0 | 192.0 |
| Dec | 193.8 | 195.5 | 193.5 | 194.9 |
| Jan | 195.8 | 196.6 | 195.5 | 196.0 |
| March | 200.0 | 199.8 | 199.8 | 200.8 |
| May | 202.5 | — | — | 204.5 |

SOYABEAN OIL 60,000 lb, cents/lb

| | Close | High | Low | Prev |
|---|---|---|---|---|
| May | 31.22 | 31.42 | 31.10 | 30.92 |
| July | 31.08 | 31.25 | 30.85 | 30.78 |
| Aug | 29.97 | 30.25 | 29.85 | 29.75 |
| Sept | 28.73 | 29.05 | 28.70 | 28.53 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

WHEAT 5,000 bu min, cents/60lb-bushel

| | Close | High | Low | Prev |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

# CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

# Dollar firm but trading quiet

The foreign exchanges remained very quiet yesterday, with the dollar slightly firmer overall on fears about major strikes in European coal, steel, and engineering industries. The U.S. currency had a firmer tone ahead of the long Easter weekend holiday, although opinion was divided on the likely result of today's U.S. first quarter gross national product figures, following the recent flash estimate of 7.2 p.c. growth. Otherwise trading tended to wind down before the holiday, but the dollar was slightly weaker in early trading as a result in the easing of the Federal funds overnight rate in New York on Tuesday.

In thin trading the dollar rose to DM 2.6485 from DM 2.6425 against the D-mark; FFr 8.1535 from FFr 8.1340 against the French franc; and SwFr 2.1940 from SwFr 2.1920 in terms of the Swiss franc, but fell to Y224.85 from Y225 against the strong Japanese yen, boosted by indications of an opening up of Tokyo capital markets.

The dollar's trade-weighted index on Bank of England figures rose to 127.7 from 127.5.

STERLING — Trading range against the dollar in 1984 is 1.4940 to 1.3955. March average 1.4564. Trade-weighted index 79.7, unchanged from noon, and compares with 79.8 at the opening, 79.8 at the previous close, and 83.8 six months ago.

The pound opened at $1.4225-1.4235, and traded within a range of $1.4160-1.4145, before closing at $1.4175-1.4185, a fall of 25 points on the day. Sterling also declined to SwFr 3.1125 from SwFr 3.1150, and Y319 from Y320, but was slightly firmer at DM 3.7575 from DM 3.7550, and FFr 11.56 from FFr 11.5525.

D-MARK — Trading range against the dollar in 1984 is 2.8425 to 2.5535. March average 2.5967. Trade weighted index 126.6 against 127.6 six months ago.

The dollar was higher at yesterday's fixing in Frankfurt at DM 2.6434 up from DM 2.6357 on Tuesday and the Bundesbank sold $23.7m at the fixing. Dollar sentiment remained bullish with traders looking for a firmer trend after the opening of New York. In Frankfurt sterling was fixed at DM 3.7560 from DM 3.7480 and the Swiss franc was higher at DM 1.2074 compared with DM 1.2054. The threat of industrial action by certain German workers probably had some depressing effect on the D-mark. Within the EMS, the Belgian franc rose to DM 4.9 per BFr 100 from DM 4.8940 and the French franc was higher at DM 32.48 per FFr 100 from DM 32.475.

BELGIAN FRANC—Trading range against the dollar in 1984 is 57.92 to 52.24. March average 53.13. Trade weighted index 90.4 against 90.9 six months ago.

There was no intervention by the Belgian central bank in support of the Belgian franc in the week ending April 16, according to figures released yesterday. There was no help given the previous week and this underlined the franc's relative stability and the lack of volume ahead of the Easter weekend.

The dollar rose to BFr 53.99 from BFr 53.8875 at yesterday's fixing in Brussels and sterling was higher at BFr 76.67 from BFr 76.6125. Within the EMS the D-mark slipped to BFr 20.4295 and the French franc was lower at BFr 6.6340 from BFr 6.6360. Elsewhere the Swiss franc improved to BFr 24.66 from BFr 24.64.

### EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU April 18 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc | 44.9008 | 45.5922 | +1.54 | +1.46 | ±1.5447 |
| Danish Krone | 8.14104 | 8.21162 | +0.87 | +0.79 | ±1.6425 |
| German D-Mark | 2.24184 | 2.23182 | −0.45 | −0.53 | ±1.0642 |
| French Franc | 6.87456 | 6.86763 | −0.10 | −0.15 | ±1.4052 |
| Dutch Guilder | 2.52595 | 2.51961 | −0.25 | −0.33 | ±1.4964 |
| Irish Punt | 0.72569 | 0.728789 | +0.43 | +0.35 | ±1.6699 |
| Italian Lira | 1403.49 | 1379.22 | −1.73 | −1.73 | ±4.1505 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

### £ in New York (latest)

| | April 18 | Prev. close |
|---|---|---|
| Spot | $1.4175-4185 | $1.4235-4245 |
| 1 month | 0.25-0.28 dis | 0.26-0.28 dis |
| 3 months | 0.75-0.72 dis | 0.75-0.78 dis |
| 12 months | 3.25-3.35 dis | 3.22-3.27 dis |

£ forward rates are quoted in U.S. cents discount.

### THE POUND SPOT AND FORWARD

| April 18 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.4160-1.4245 | 1.4175-1.4185 | 0.24-0.29c dis | −2.24 | 0.75-0.80dis | −2.19 |
| Canada | 1.8135-1.8226 | 1.8145-1.8155 | 0.22-0.32c dis | −1.78 | 0.82-0.92dis | −1.82 |
| Nethlnd. | 4.22½-4.25 | 4.23½-4.24½ | 1.00-0.50c pm | 2.12 | 2⅞-2⅜ pm | 2.48 |
| Belgium | 76.50-76.90 | 76.70-76.80 | 13-23c dis | −2.81 | 45-65c dis | −2.81 |
| Denmark | 13.77½-13.84½ | 13.80½-13.81½ | 2⅝-3⅝ore dis | −2.66 | 6½-7¼ dis | −1.94 |
| Ireland | 1.2225-1.2290 | 1.2255-1.2265 | 0.37-0.44p dis | −3.96 | 1.09-1.22dis | −3.77 |
| W. Ger. | 3.74-3.77 | 3.75½-3.76½ | 1½-½pf pm | 3.19 | 3½-2½ pm | 3.06 |
| Portugal | 189½-191½ | 190-190½ | 130-345c dis | −14.98 | 450-1030dis | −15.56 |
| Spain | 211.75-213.25 | 212.00-212.20 | 125-150c dis | −7.78 | 420-1030ds | −13.67 |
| Italy | 2316-2322 | 2319½-2321½ | 12½-14½lire dis | −3.98 | 40-42 dis | −7.06 |
| Norway | 10.75-10.80 | 10.75-10.76 | 4⅞-5ore dis | −5.08 | 11¼-12¼ dis | −4.56 |
| France | 11.59½-11.57 | 11.55½-11.56½ | 3¼-4½c dis | −4.10 | 12-14 dis | −4.50 |
| Sweden | 11.11½-11.15 | 11.12-11.13 | 2½-2¾ore dis | −2.83 | 5⅞-6⅞ dis | −2.13 |
| Japan | 318-320 | 318½-319½ | ⅞-¾y pm | 2.59 | 2½-1⅞ pm | 2.51 |
| Austria | 26.33-26.48 | 26.38-26.43 | 5¾-4gro pm | 2.13 | 16½-12½ pm | 2.22 |
| Switz. | 3.10-3.12½ | 3.10¾-3.11¾ | 1½-1c pm | 4.82 | 4-3½ pm | 4.82 |

Belgian rate is for convertible francs. Financial franc 78.40-78.50. Six-month forward dollar 1.53-1.58c dis. 12-month 3.25-3.35.

### THE DOLLAR SPOT AND FORWARD

| April 18 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.4160-1.4245 | 1.4175-1.4185 | 0.24-0.29c dis | −2.24 | 0.75-0.80dis | −2.19 |
| Ireland† | 1.1550-1.1625 | 1.1550-1.1557 | 0.19-0.15c pm | 1.76 | 0.50-0.42 pm | 1.59 |
| Canada | 1.2790-1.2804 | 1.2797-1.2802 | 0.05-0.02c pm | 0.33 | 0.09-0.06 pm | 0.23 |
| Nethlnd. | 2.9812-2.9910 | 2.9890-2.9910 | 1.20-1.15c pm | 4.73 | 3.58-3.53 pm | 4.76 |
| Belgium | 53.91-54.12 | 54.10-54.12 | 1-3c dis | −0.44 | 3-8 dis | −0.33 |
| Denmark | 9.71-9.74½ | 9.74½-9.74½ | 20ore pm-70 dis | −0.31 | 2.00-2.75dis | −0.88 |
| W. Ger. | 2.6335-2.6510 | 2.6485-2.6495 | 1.16-1.11pf pm | 5.15 | 3.44-3.39 pm | 5.15 |
| Portugal | 134.00-134.50 | 134.00-134.50 | 60-200c dis | −11.62 | 220-600dis | −12.22 |
| Spain | 149.55-149.88 | 149.65-149.85 | 65-75c dis | −5.61 | 225-265 dis | −6.41 |
| Italy | 1632.90-1637½ | 1636½-1637½ | 6.4-6.9lire dis | −4.88 | 15.25-20.20ds | −4.82 |
| Norway | 7.58½-7.59 | 7.58½-7.59 | 1.30-2.00ore dis | −2.61 | 4.10-5.10dis | −2.42 |
| France | 8.1100-8.1575 | 8.1510-8.1580 | 1.00-1.20c dis | −1.62 | 4.00-4.50dis | −2.09 |
| Sweden | 7.8375-7.8500 | 7.8450-7.8500 | 10ore pm-40 dis | −0.23 | 20pm-40dis | −0.05 |
| Japan | 223.75-225.10 | 224.60-224.90 | 0.89-0.85y pm | 4.67 | 2.62-2.57 pm | 4.62 |
| Austria | 18.60-18.75 | 18.63-18.65 | 6.90-6.40gro pm | 4.23 | 21.25-19.25pm | 4.35 |
| Switz. | 2.1820-2.1955 | 2.1935-2.1945 | 1.31-1.27c pm | 7.07 | 2.94-2.80 pm | 7.16 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 55.30-55.35.

### OTHER CURRENCIES

| Apr. 18 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | 50.07-50.16 | 35.30-35.33 | Austria | 26.20-26.60 |
| Australia Dollar | 1.5380-1.5400 | 1.0840-1.0850 | Belgium | 78.20-78.00 |
| Brazil Cruzeiro | 1,968.67-1,980.21 | 1,388-1,395 | Denmark | 13.74-13.88 |
| Finland Markka | 7.9992-8.0173 | 5.6400-5.6500 | France | 11.50-11.62 |
| Greek Drachma | 146.60-150.32 | 104.70-105.00 | Germany | 3.72½-3.77½ |
| Hong Kong Dollar | 11.0600-11.0715 | 7.8030-7.8050 | Italy | 2305-2335 |
| Iran Rial | 123.50* | 86.95* | Japan | 319-324 |
| Kuwait Dinar (KD) | 0.41728-0.41778 | 0.29425-0.29435 | Netherlands | 4.21-4.25 |
| Luxembourg Fr. | 76.70-76.80 | 54.10-54.12 | Norway | 10.75-10.86 |
| Malaysia Dollar | 3.2410-3.2460 | 2.2865-2.2880 | Portugal | 186-197 |
| New Zealand Dlr. | 2.1500-2.1540 | 1.5155-1.5180 | Spain | 206-216¼ |
| Saudi Arab. Riyal | 4.9910-4.9965 | 3.5200-3.5210 | Sweden | 11.09-11.20 |
| Singapore Dollar | 3.0025-3.0570 | 2.0830-2.0845 | Switzerland | 3.09¾-3.13¾ |
| Sth African Rand | 1.7677-1.7709 | 1.2475-1.2490 | United States | 1.41¼-1.43¼ |
| U.A.E. Dirham | 5.2065-5.2120 | 3.6720-3.6730 | Yugoslavia | 175-195 |

* Selling rates.

### CURRENCY MOVEMENTS

| Apr. 18 | Bank of England Index | Morgan Guaranty Changes% |
|---|---|---|
| Sterling | 79.7 | −11.3 |
| U.S. dollar | 127.7 | +16.7 |
| Canadian dollar | 88.8 | −3.0 |
| Austrian schilling | 112.2 | +4.2 |
| Belgian franc | 90.4 | −11.1 |
| Danish kroner | 78.7 | −6.0 |
| Deutsche mark | 126.0 | +8.6 |
| Swiss franc | 147.2 | +11.5 |
| Guilder | 110.6 | +4.8 |
| French franc | 66.8 | −14.9 |
| Lira | 46.7 | −12.6 |
| Yen | 160.0 | +16.0 |

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

### CURRENCY RATES

| April 18 | Bank rate % | Special Drawing Rights | European Currency Unit |
|---|---|---|---|
| Sterling | — | 0.744207 | 0.594686 |
| U.S. $ | 9 | 1.05722 | 0.843848 |
| Canadian $ | 10.76 | * | 1.07966 |
| Austria Sch | 4¼ | 19.6643 | 15.6975 |
| Belgian Fr | 11 | 57.0793 | 45.6222 |
| Danish Kr | 7 | 10.2815 | 8.21162 |
| D'mark | 4 | 2.79466 | 2.23182 |
| Guilder | 5 | 3.15527 | 2.51961 |
| French Fr | 9½ | 8.60048 | 6.86763 |
| Lira | 16 | 1727.93 | 1379.22 |
| Yen | 5 | 237.293 | 189.678 |
| Norwgn Kr | 8 | 8.01901 | 6.40304 |
| Spanish Pta | — | 158.121 | 126.227 |
| Swedish Kr | 8½ | 8.27592 | 6.01909 |
| Swiss Fr | 4 | 2.31447 | 1.84909 |
| Greek Dr'ch | 20½ | 110.998 | 88.4374 |

*C$/SDR rate for April 17: 1.35408.

### EXCHANGE CROSS RATES

| Apr. 18 | Pound St'rling | U.S. Dollar | Deutsche m'k | Japanese Yen | French Franc | Swiss Franc | Dutch Guild | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.418 | 3.758 | 319.0 | 11.56 | 3.113 | 4.240 | 2321 | 1.816 | 76.75 |
| U.S. Dollar | 0.705 | 1. | 2.650 | 225.0 | 8.152 | 2.195 | 2.990 | 1636 | 1.280 | 54.13 |
| Deutschemark | 0.266 | 0.377 | 1. | 84.90 | 3.077 | 0.828 | 1.128 | 617.6 | 0.483 | 20.43 |
| Japanese Yen 1,000 | 3.135 | 4.440 | 11.78 | 1000. | 36.24 | 9.757 | 13.29 | 7274. | 5.690 | 240.6 |
| French Franc 10 | 0.865 | 1.227 | 3.250 | 276.0 | 10. | 2.692 | 3.668 | 2007. | 1.570 | 66.39 |
| Swiss Franc | 0.321 | 0.456 | 1.207 | 102.5 | 3.714 | 1. | 1.362 | 745.6 | 0.583 | 24.66 |
| Dutch Guilder | 0.236 | 0.334 | 0.886 | 75.24 | 2.720 | 0.734 | 1. | 547.3 | 0.428 | 18.10 |
| Italian Lira 1,000 | 0.431 | 0.611 | 1.619 | 137.5 | 4.982 | 1.341 | 1.827 | 1000. | 0.782 | 33.07 |
| Canadian Dollar | 0.551 | 0.781 | 2.070 | 175.8 | 6.369 | 1.716 | 2.338 | 1279. | 1. | 42.29 |
| Belgian Franc 100 | 1.303 | 1.848 | 4.896 | 415.6 | 15.06 | 4.055 | 5.524 | 3023. | 2.365 | 100. |

### EURO-CURRENCY INTEREST RATES (Market closing rates)

| Apr. 18 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | D-mark | French Franc | Italian Lira | Belgian Franc Conv. | Belgian Franc Fin. | Yen | Danish Kroner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 8⅛-8⅜ | 10¼-10⅜ | 10-10¼ | 5 11/16-5 13/16 | 1⅝-1¾ | 4⅞-5 | 11⅝-11⅞ | 14¾-15¾ | 11¼-11¾ | 11⅜-11⅞ | 5 11/16-5 13/16 | 11-11⅛ |
| 7 days' notice | 8¼-8⅜ | 10⅛-10⅜ | 10⅛-10⅜ | 5¾-5⅞ | 6⅛-6¼ | 5 7/16-5 9/16 | 11⅞-12⅛ | 18-10 | 11⅛-11⅝ | 11⅛-11⅝ | 6 11/16-6 13/16 | 11-11½ |
| Month | 8⅝-8¾ | 10⅛-10⅜ | 10⅛-10⅜ | 5 7/16-5 9/16 | 2 1/16-3¼ | 5⅜-5½ | 12⅛-12⅜ | 15½-15⅞ | 11-11⅛ | 11⅜-11⅝ | 5 11/16-5 13/16 | 10⅜-11⅛ |
| Three months | 8 7/16-8⅞ | 10 13/16-11 1/16 | 10½-10 11/16 | 5-5⅛ | 3 11/16-3 13/16 | 5⅝-5 11/16 | 13-13¼ | 16⅝-16⅞ | 11⅛-11⅝ | 11⅜-11⅝ | 6⅛-6¼ | 10¼-10¾ |
| Six months | 9 1/16-9 3/16 | 11⅛-11⅜ | 10 13/16-11⅛ | 6⅛-6¼ | 2⅞-4 | 5¾-5⅞ | 14-14¼ | 16¼-16⅞ | 11⅜-11⅞ | 11⅜-11⅝ | 6 5/16-6 7/16 | 10⅛-11 |
| One year | 9⅜-9½ | 11¼-11½ | 11½-11 11/16 | 6½-6⅝ | 4⅛-4¼ | 6⅛-6¼ | 14¾-15 | 17⅛-17⅝ | 11¾-12¼ | 11⅛-11⅜ | 6 5/16-6 7/16 | 11¼-11¾ |

Asian $ (closing rates in Singapore): Short-term 10 5/16-10 11/16 per cent; seven days 10⅜-10⅝ per cent; one month 10⅜-10⅝ per cent; three months 10 13/16-10 15/16 per cent; six-months 11 1/16-11 3/16 per cent; one year 11⅝-11¾ per cent. Long-term Eurodollars two years 12⅜-12⅝ per cent; three years 12½-12¾ per cent; four years 12⅝-12⅞ per cent; five years 12⅞-13⅛ per cent nominal closing rates. Short-term rates are call for U.S. banks and Japanese yen; two days' notice.

## MONEY MARKETS

# London rates hold steady

Interest rates were little changed on the London money market yesterday, in quiet conditions, showing no reaction to the National Union of Mineworkers' strike while sterling held steady on the foreign exchanges.

In the interbank market three-month money rose slightly to 8⅞ per cent from 8 13/16 per cent, while discount houses buying rates for three-month bank bills were unchanged at 8 13/16 per cent.

The Bank of England forecast a money market shortage of £350m in the morning but this was later revised to £450m, and the authorities provided help of £403m, mostly by way of £303m in outright bill purchases. Before lunch the Bank of England bought £203m bills outright through £41m bank bills in band 2 (15-33 days maturity) at 8¾ per cent; 18m bank bills in band 3 (34-63 days) at 8 11/16 per cent; £13m Treasury bills in band 4 (64-91 days) at 8⅝ per cent; £15m local authority bills in band 4 at 8⅝ per cent; and £116m bank bills in band at 8⅝ per cent.

Another £100m bills were purchased outright during the afternoon, by way of £5m local authority bills in band 1 (up to 14 days) at 8 11/16 per cent; £43m bank bills in band 2 at 8¾ per cent; £1m bank bills in band 3 at 8 11/16 per cent; £6m Treasury bills in band 4 at 8⅝ per cent; and £45m bank bills in band 4 at 8⅝ per cent. Late assistance of £100m was also provided.

Bills maturing in official hands, repayment of late assistance, and a take up of Treasury bills from Friday's tender drained £164m, while Exchequer transactions absorbed another £20m; a rise in the note circulation £135m; and bank balances below target £45m.

**UK clearing banks' base lending rate 8½-8¾ per cent (since March 15 and 16)**

### MONEY RATES

| Apr. 18 | Frankfurt | Paris | Zurich | Amst'dam | Tokyo | Milan | Brussels | Dublin |
|---|---|---|---|---|---|---|---|---|
| Overnight | 5.50-5.55 | 11¾ | 1-2 | 5¾-6⅞ | 6.6875 | 16⅞-17¼ | 12.0 | 11⅞-12⅛ |
| One month | 5.6-5.7 | 12¼-12⅜ | 3 5/16-3 7/16 | 6¼-5⅞ | 6.10585 | 16⅞-17¼ | 11⅜-11⅝ | 12⅛-12⅜ |
| Two months | 5.65-5.80 | 12 5/16-12 7/16 | — | — | — | — | — | 12 5/16-12 11/16 |
| Three months | 5.70-5.85 | 12⅜-12½ | 3⅝-3¾ | 6-6⅛ | 6.26125 | 17⅛-17⅜ | 11⅝-11⅞ | 12¾-12⅞ |
| Six months | 5.80-5.95 | 12 7/16-12 11/16 | — | 6⅛-6¼ | — | — | 11⅜-11⅝ | 12⅞-13⅛ |
| Lombard | 5.5 | — | — | — | — | — | — | — |
| Intervention | — | 12 | — | 5⅞ | — | — | — | — |

### LONDON MONEY RATES

#### Discount Houses Deposit and Bill Rates

| Apr. 18 1984 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Company Deposits | Market Deposits | Treasury (Buy) | Treasury (Sell) | Eligible Bank (Buy) | Eligible Bank (Sell) | Fine Trade (Buy) |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 8⅛-10 | 8⅞ | 8⅞ | 8¼-8¾ | — | — | — | — | — |
| 2 days notice | — | — | 8⅞ | — | — | — | — | — | — | — |
| 7 days or | — | — | — | — | — | — | — | — | — | — |
| 7 day notice | — | 8⅝-8 11/16 | 8⅝ | 8¾-8⅞ | 8⅞ | — | — | — | — | — |
| One month | 8 9/16-8 11/16 | 8⅝-8 11/16 | 8⅝ | 8¾-9 | 8⅞ | 8⅛ | 8 9/16 | 8½ | 8 17/32 | 9⅛ |
| Two months | 8¾-8 13/16 | 8 11/16-8¾ | 8¾ | 8 | 8¼-8⅜ | 8 11/16 | 8⅞ | 8 11/16 | 8 11/16 | 9⅛ |
| Three months | 8⅞-8 15/16 | 8 13/16-8 15/16 | 8¾-8⅞ | 9⅛ | 8½-8⅝ | 8⅞ | 8⅝ | 8 13/16 | 8⅝ | 9¼ |
| Six months | 9⅛ 9 | 9 1/16-9¼ | 9 | — | — | — | — | 8 15/16 | 8⅝ | 9 5/16 |
| Nine months | 9 5/16-9⅜ | 9 5/16-9 7/16 | 9 5/16-9⅜ | — | — | — | — | — | — | — |
| One year | 9 7/16-9 9/16 | 9⅜-9½ | 9 7/16-9⅝ | — | — | — | — | — | — | — |

| | Local Auth. negotiable bonds | Local Authority Deposits | Finance House Deposits | $ Cert of Deposits | SDR Linked Deposits | ECU Linked Deposits |
|---|---|---|---|---|---|---|
| One month | 9 1/16-8 15/16 | — | 8⅝ | 10.45-10.55 | 8 13/16-9 1/16 | 9-9 1/16 |
| Two months | 9¼-9 | — | 8¾ | 10.5-10.6 | 9 1/16-9 5/16 | 9⅛-9 5/16 |
| Three months | 9¼-9 | — | 8⅞ | 10.65-10.75 | 9¼-9⅜ | 9¼-9 7/16 |
| Six months | 9¼-9 | — | 9 | 10.95-10.95 | 9½-9⅝ | 9⅜-9⅝ |
| Nine months | 9⅝-9⅜ | — | 9¼ | 11.05-11.25 | — | — |
| One year | 9½-9¼ | — | 9⅛ | 11.35-11.55 | 9 15/16-10 1/16 | 10-10 1/16 |
| Two years | — | 10⅛ | — | — | — | — |
| Three years | — | 10⅜ | — | — | — | — |
| Four years | — | 10½ | — | — | — | — |
| Five years | — | 10⅝ | — | — | — | — |

ECGD Fixed Rate Export Finance Scheme IV. Average Rate of Interest period March 7 to April 3 1984 (inclusive: 8.976 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 9½ per cent from April 1, 1984. London and Scottish Clearing Bank Rates for lending 8½-8¾ per cent. London Deposit Rate for sums at seven days' notice 5¼-5½ per cent. Treasury Bills: Average tender rates of discount 8.3776 per cent. Certificates of Tax Deposit (Series 0). Deposit of £100,000 and over held under one month 8½ per cent; one-three months 8¾ per cent; three-six months 9 per cent; six-nine months 9¼ per cent; nine-12 months 9½ per cent. Under £100,000 8½ per cent from April 11. Deposits held under Series 4-5 9¼ per cent. The rate for all deposits withdrawn for cash 7 per cent.

### FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. April 18)

| 3 months U.S. dollars | |
|---|---|
| bid 10 7/8 | offer 11 |

| 6 months U.S. dollars | |
|---|---|
| bid 11 1/8 | offer 11 1/4 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### MONEY RATES

#### NEW YORK (Lunchtime)

| | |
|---|---|
| Prime rate | 12 |
| Broker loan rate | 11-11¼ |
| Fed funds | 10⅛ |
| Fed funds at intervention | 10⅛ |

**Treasury Bills**

| | |
|---|---|
| One month | 8.275 |
| Two month | 8.525 |
| Three month | 8.76 |
| Six month | 8.88 |
| One year | 9.96 |

**Treasury Bonds**

| | |
|---|---|
| Two year | 99 23/32 |
| Three year | 97½ |
| Four year | 99⅛ |
| Five year | 97⅛ |
| Seven year | 98 11/32 |
| 10 year | 94 21/32 |
| 30 year | 95 21/32 |

## FINANCIAL FUTURES

# Eurodollars steady

Eurodollar prices were little changed from Tuesday in the London International Financial Futures Exchange yesterday. Opening prices were marked firmer following a late rally in the U.S. Initial buying dried up later in the day on the relatively high Federal Funds rate however and U.S. markets came in as sellers, breaking through the 89.00 level. This prompted further unwinding, encouraged by a softer opening tone to U.S. bonk markets. Prices in London finished just above the day's lows.

The June contract opened at 89.04 up from 88.98 but eased to a low of 88.96 before finishing at 88.97.

Gilt prices spent a rather dull morning and an attempt to rally from overnight levels failed to breach Tuesday's high of 107-10. Values then drifted for the rest of the morning in subdued trading. Further selling developed in the afternoon as the pound dipped below $1.4200 and also a weaker U.S. bond market. Having broken through the 107-00 level the June contract found support at the day's low of 106-27 where it finished from an opening price of 107-08 and Tuesday's price of 107-04.

Volume in most contracts was inhibited by the proximity of the long Easter weekend and there appeared to be little incentive to take out fresh positions as long as the market remained focussed on uncertainty surrounding U.S. interest rates.

Short sterling prices were slightly easier on the day, having risen earlier before slipping back. The June price opened at 91.04 up from 91.03 and touched a high of 91.05 before finishing at 91.01.

### LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 88.97 | 89.07 | 88.96 | 88.98 |
| Sept | 88.51 | 88.60 | 88.51 | 88.52 |
| Dec | 88.11 | 88.15 | 88.11 | 88.12 |
| March | — | — | — | 87.77 |
| June | — | — | — | 87.48 |

Volume 2,582 (3,026)
Previous day's open int 14,451 (14,200)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 91.01 | 91.05 | 91.01 | 91.03 |
| Sept | 90.69 | 90.73 | 90.69 | 90.71 |
| Dec | 90.40 | 90.44 | 90.40 | 90.45 |
| March† | 90.16 | 90.20 | 90.20 | 90.23 |
| June† | — | — | — | 90.01 |

Volume 558 (269)
Previous day's open int 8,486 (8,570)
† £500,000 points of 100%

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 106-27 | 107-09 | 106-27 | 107-04 |
| Sept | 106-07 | 106-15 | 106-15 | 106-28 |
| Dec | — | — | — | 106-15 |
| March | — | — | — | 105-28 |
| June | — | — | — | 104-22 |

Volume 1,759 (1,588)
Previous day's open int 5,368 (5,083)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) 24 to 36 (32nds).

STERLING £25,000 $ per £

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 1.4221 | 1.4290 | 1.4214 | 1.4264 |
| Sept | 1.4296 | 1.4365 | 1.4365 | 1.4339 |
| Dec | — | — | — | 1.4421 |

Volume 262 (76)
Previous day's open int 2,256 (2,260)

DEUTSCHE MARKS DM 125,000
$ per DM

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 0.3802 | 0.3824 | 0.3803 | 0.3817 |
| Sept | — | — | — | 0.3865 |

Volume 177 (248)
Previous day's open int 493 (436)

SWISS FRANCS SwFr 125,000
$ per SwFr

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 0.4600 | 0.4611 | 0.4600 | 0.4609 |
| Sept | — | — | — | 0.4669 |
| Dec | — | — | — | — |

Volume 1 (1)
Previous day's open int 214 (215)

JAPANESE YEN Y12.5m $ per Y100

| | Close | High | Low | Prev |
|---|---|---|---|---|
| June | 0.4476 | 0.4495 | 0.4476 | 0.4478 |
| Sept | — | — | — | 0.4528 |
| Dec | — | — | — | — |

Volume 84 (27)
Previous day's open int 529 (514)

### CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 65-11 | 65-26 | 65-08 | 65-29 |
| Sept | 64-25 | 65-09 | 64-23 | 65-11 |
| Dec | 64-12 | 64-27 | 64-09 | 64-29 |
| March | 64-01 | 64-14 | 63-30 | 64-17 |
| June | 63-20 | 64-03 | 63-20 | 64-06 |
| Sept | 63-11 | 63-20 | 63-11 | 63-28 |
| Dec | — | — | — | 63-20 |
| March | — | — | — | 63-13 |

U.S. TREASURY BILLS (IMM)
$1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 90.00 | 90.07 | 89.99 | 90.09 |
| Sept | 89.59 | 89.64 | 89.59 | 89.68 |
| Dec | 89.24 | 89.30 | 89.24 | 89.33 |
| March | 88.95 | 88.98 | 88.96 | 89.04 |
| June | — | 88.70 | 88.70 | 88.78 |
| Sept | 88.48 | — | 88.48 | 88.55 |
| Dec | 88.29 | — | 88.29 | 88.34 |
| March | 88.12 | — | 88.12 | 88.15 |

CERT. DEPOSIT (IMM)
$1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 89.06 | 89.15 | 89.05 | 89.17 |
| Sept | 88.58 | 88.63 | 88.56 | 88.67 |
| Dec | 88.14 | 88.20 | 88.14 | 88.24 |
| March | 87.78 | 87.80 | 87.77 | 87.86 |

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 88.63 | 88.72 | 88.62 | 88.74 |
| Sept | 88.14 | 88.23 | 88.14 | 88.25 |
| Dec | — | 87.79 | 87.73 | 87.83 |
| March | 87.36 | 87.41 | 87.36 | 87.46 |
| June | 87.07 | 87.07 | 87.05 | 87.11 |

STERLING (IMM) $ per £

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 1.4240 | 1.4245 | 1.4215 | 1.4280 |
| Sept | 1.4305 | 1.4320 | 1.4290 | 1.4350 |
| Dec | 1.4380 | 1.4385 | 1.4360 | 1.4430 |
| March | 1.4460 | 1.4480 | 1.4440 | 1.4510 |

GNMA (CBT) $100,000 32nds of 100%

| | Latest | High | Low | Prev |
|---|---|---|---|---|
| June | 67-28 | 68-05 | 67-27 | 68-09 |
| Sept | 66-30 | 67-08 | 66-30 | 67-11 |
| Dec | 66-02 | 66-11 | 66-02 | 66-15 |
| March | — | — | — | 65-25 |
| June | — | — | — | 65-06 |
| Sept | — | — | — | 64-22 |
| Dec | — | 64-00 | 64-00 | 64-09 |

## COMPANY NOTICES

### EAST RAND GOLD AND URANIUM COMPANY LIMITED

(Incorporated in the Republic of South Africa)

**FINAL DIVIDEND—FINANCIAL YEAR ENDED MARCH 31 1984**

On April 18, 1984 dividend No. 11 of 35 cents a share was declared in South African currency payable on June 18 1984 to members registered in the books of the company at the close of business on May 11 1984.

The transfer registers and registers of members will be closed from May 12 to 25 1984, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 18 1984. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on May 14 1984, of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before May 11 1984.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: H. E. Phillips
Divisional Secretary

Transfer Secretaries
Consolidated Share Registrars Limited
First Floor, Edura
40 Commissioner Street
Johannesburg 2001
(P.O. Box 61051
Marshalltown 2107)

Charter Consolidated P.L.C.
P.O. Box 102, Charter House
Park Street, Ashford
Kent TN24 8EQ

Head Office
44 Main Street
Johannesburg 2001
(P.O. Box 61587
Marshalltown 2107)

London Office
40 Holborn Viaduct
London EC1P 1AJ

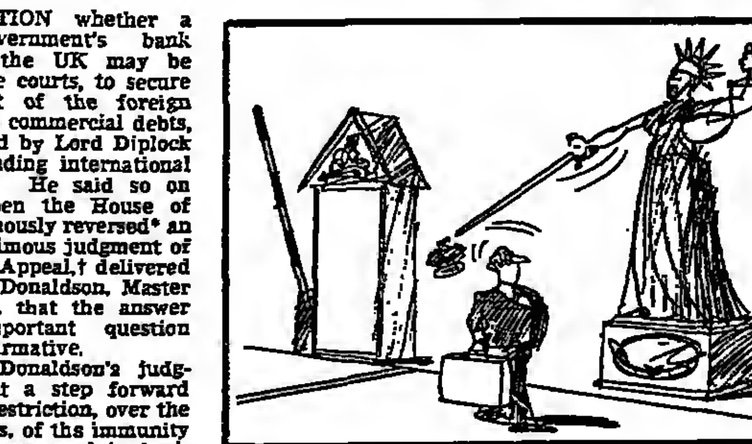
Johannesburg
April 18 1984



## BUSINESS LAW

# Foreign states' bank accounts—a victory for the merchant princes

BY A. H. HERMANN, LEGAL CORRESPONDENT



"A sovereign is a private person in another's territory"

THE QUESTION whether a foreign government's bank account in the UK may be frozen by the courts, to secure the payment of the foreign government's commercial debts, was described by Lord Diplock as of outstanding international importance. He said so on April 12 when the House of Lords unanimously reversed* an equally unanimous judgment of the Court of Appeal,† delivered by Sir John Donaldson, Master of the Rolls, that the answer to this important question should be affirmative.

Sir John Donaldson's judgment brought a step forward the gradual restriction, over the past 100 years, of the immunity of sovereigns engaged in business in a foreign country. What was an exceptional occurrence in the 19th-century has now become of very great practical importance as all the Communist countries, and many others carry on their external trade as new merchant business not through private princes but through their own government agencies. To accord them sovereign immunity is in the long view detrimental to international trade but taking the short view these countries insist on retaining as much of the ancient privilege as they can.

The decision of the House of Lords was, therefore a step back, depriving the 1978 State Immunity Act of much of its bite and likely to make the enforcement of commercial judgments and arbitral awards more difficult.

### The legal costs exceeded the alleged debt

These may seem big words in view of the relative unimportance of the occasion. Alcom, a company supplying security equipment to the Colombian embassy, obtained a default judgment against the Republic of Colombia, and a *garnishee* order on the embassy's account with a London bank. The default judgment had in the meantime been set aside, but the appeal on the question whether a sequestration of a foreign embassy account was possible continued because of the importance of the issue. Even before the appeal reached the House of Lords, the legal costs exceeded the amount of the Colombian embassy's alleged debt.

International law was cited in aid of the reversal of the *garnishee* order, first by Mr Justice Hobhouse, and again when he was confirmed to have been right by the House of Lords when Lord Diplock said that a judgment of the German Federal Constitutional Court in the *Philippine Republic* case of December 13 1977 was wholly convincing and particularly helpful because it decided a similar dispute by reference to public international law. It may, therefore, be useful to attempt a brief timetable of developments in this field as an indication of the general direction in which the law of nations moves.

As far as easily accessible reports go, the principle of international law, according to which in civil and property matters "a sovereign is a private person in another's territory," was applied in Belgium by the Appeal Court of Ghent in 1879, and in Italy by the Florentine Court of Cassation in 1886. Between 1893 and 1909 the Civil Cassation Court of St Petersbourg made a series of decisions to the effect that foreign governments do not enjoy sovereign immunity in commercial matters. In 1907 this principle was adopted in Austria and in 1920 the Austrian Supreme Court, dealing with a builder's claim against the Turkish embassy in Vienna, ruled out the granting of sovereign immunity in commercial matters.

The Swiss Federal Court rejected a claim to absolute immunity in 1918, and in 1927 the Swedish Government proposed that in a codification of international law immunity should not be granted in commercial matters. In 1960 the Japanese Government made a declaration in favour of excluding immunity in commercial cases, and in the same year this view was adopted by the Consultative Committee of the Asian and African States. The Austrian decision of 1920 had an echo in a 1963 judgment of the German Constitutional Court in an action brought by a central heating contractor against the Iranian embassy.

Sovereign immunity has proved much more resistant to change in common law countries. The U.S. courts had been moving towards excluding immunity in commercial issues since 1952, but the exclusion was completed only in 1977 by the Federal Sovereign Immunity Act. In the UK the restrictive theory of sovereign immunity was first recognised by the Privy Council in the *Philippine Admiral* in 1975, but its definitive absorption by the common law was achieved only by Lord Denning's judgment in *Trendtex*, approved by the House of Lords in *I Congreso* in 1982. In the meantime Parliament adopted the State Immunity Act of 1978, which the courts have now interpreted for the first time.

This is not the place to analyse in detail the reasoning by which Lord Diplock and Sir John Donaldson reached such different results. When the convoluted text of the Act is unwound, it appears that a foreign state's property is immune against enforcement of a judgment if it is not used for commercial purposes, and that a declaration by the ambassador that it is not so used shall be accepted as sufficient evidence unless the contrary is proved. Such a declaration was delivered by the Colombian ambassador, but the Court of Appeal held that it was disproved by the fact that the bank account was used to pay for air tickets and loans to stranded citizens which, in itself, was not an exercise of sovereign authority.

In taking the immediate application of the money rather than its ultimate aim, the Court of Appeal judgment was firmly based on the House of Lords decision in *I Congreso*. It could have also referred to the 1975 Frankfurt Landgericht judgment in the Nigerian cement case, when it was held that a letter of credit was commercial by its very nature, and its purpose irrelevant. The same can be said of a bank account.

Lord Diplock, by contrast, considered the ultimate purpose of the account and, in

### The convoluted text of the Immunity Act

interpreting the 1978 Act, considerably reduced the possibility of disproving the ambassador's certificate. He held that the bank account was safe from execution "unless it can be shown by the judgment creditor . . . that (it) was earmarked by the foreign state solely (save for *de minimis* exceptions) . . . for commercial transactions (such as) documentary credits for goods sold to the state. . . ."

The result is that foreign states' bank accounts will be open to enforcement of judgments only if the foreign governments' lawyers are particularly dim or negligent.

*FT Commercial Law Report, October 26 1983.

†FT Commercial Law Report, April 17 1984.

# INTERNATIONAL CAPITAL MARKETS

## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 18.

U.S. DOLLAR STRAIGHTS — DEUTSCHE MARK STRAIGHTS — SWISS FRANC STRAIGHTS — YEN STRAIGHTS — OTHER STRAIGHTS — FLOATING RATE NOTES — CONVERTIBLE BONDS

Average price change... On day ... on week ...

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cv. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.



## EUROBONDS

# Texaco launches second large convertible bond

BY MARY ANN SIEGHART IN LONDON

THE EUROBOND market sprang to life yesterday with the launch of $900m worth of new paper, including a $500m convertible bond from Texaco – its second jumbo issue in the space of a month.

Texaco was cashing in on unsatisfied demand for its previous $1bn issue, while other new bonds included a $200m floating-rate note repayable in equity from Bankers Trust and $100m apiece for American Savings and Loan and Kyowa Bank of Japan.

The Texaco mandate was won by Credit Suisse First Boston in what its deputy chairman, Mr Hans-Joerg Rudloff, described as the biggest single commitment his house had ever made. The 10-year bonds bear interest at 11¾ per cent, an issue price of par and a conversion price of $50, equivalent to a premium of 24.22 per cent on Tuesday's closing price.

But the gamble paid off. By late yesterday the bonds were trading at 99⅝ per cent – well within their total fees of 2½ per cent. The issue is co-led by Deutsche Bank, Goldman Sachs, Morgan Stanley, Nomura International, Swiss Bank Corporation International and UBS (Securities). The paper is to be distributed through a classic syndication process rather than the special regionalised selling adopted for the previous, larger issue.

Mr Rudloff argues that the Texaco recipe, which offers a high yield coupled with the possibility of capital appreciation if the share price performs well, made investors especially receptive to the Texaco paper when bond markets were generally quiet. Strength of demand for the paper is illustrated by the fact that the old issue, which bears similar terms except for a higher 11⅞ per cent coupon, was still trading above par yesterday. It was quoted at 100.3, compared with 102 on Tuesday.

The $200m, 12-year floating-rate note for Bankers Trust was also well received, trading slightly above par yesterday afternoon. It bears interest at ⅛ per cent above the three-month offered rate for Eurodollar deposits in London and is led by Bankers Trust International alongside Crédit Commercial de France, Credit Suisse First Boston and Lehman Brothers Kuhn Loeb.

| BHF Bank bond average | | |
|---|---|---|
| April 18 | | Previous |
| 99.765 | | 99.734 |
| High | 1983-84 | Low |
| 100.009 | | 98.056 |

Elsewhere, American Savings and Loan launched a $100m, five-year, 12¾ per cent bond at par through Salomon Brothers, Bear Stearns and Credit Suisse First Boston. Like this borrower's previous issue, the bonds are backed by a pool of U.S. government mortgage securities and traded at a discount of about ½ point yesterday afternoon. Kyowa Bank's $100m issue, which is linked to an interest-rate swap, bears a coupon of 12¾ per cent over six years and was priced at 99⅝ per cent by lead managers Salomon Brothers, Kyowa Bank Nederland and Morgan Stanley.

The World Bank has launched its first floating-rate note in the U.S. domestic market. It is raising $150m through a five-year issue bearing interest at a margin of ½ per cent over three-month U.S. Treasury Bills. The bond, which is led by First Boston, completes the bank's floating-rate borrowing for the current fiscal year.

Secondary trading was again quiet in all main bond markets yesterday. Sumitomo Corporation's convertible bond was increased to $70m from $50m and the coupon cut to 2⅞ per cent from the indicated 3 per cent by lead manager Daiwa Europe.

Canada has launched a SwFr 200m public bond through Swiss Bank Corporation. The eight-year bonds bear an indicated yield of 5¼ per cent and round off a Canadian borrowing programme in the Swiss market totalling SwFr 1bn. The other elements are a SwFr 300m bank credit and a SwFr 500m two-tranche private placement.

Japan Development Bank has launched a SwFr 150m, five-year private placement with a coupon of 5¾ per cent and issue price par through Credit Suisse.

## OVER-THE-COUNTER

*Nasdaq national market, 3pm prices*

Continued on Page 34



## COMPANY NOTICES

CANON INC.

OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT

THE PHILIPPINE INVESTMENT COMPANY

... at the statutory meeting of April 27th, 1984, the owners of bearer shares are required to deposit their shares five business days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with the following bank:
—Banque Générale du Luxembourg, S.A.
14, rue Aldringen
LUXEMBOURG
THE LIQUIDATOR

AUSTIN REED GROUP PLC

U.S. $200,000,000
Midland International Financial Services B.V.
(Incorporated with limited liability in the Netherlands)
Guaranteed Floating Rate Notes 1999
Guaranteed on a subordinated basis as to payment of principal and interest by
**Midland Bank plc**

Notice is hereby given that the Exchange Date in relation to the above Notes will be Wednesday, 4th July, 1984 and definitive Notes will be available thereafter.

ORANGE FREE STATE GOLD MINING COMPANIES
ADMINISTERED BY
ANGLO AMERICAN CORPORATION
INTERIM DIVIDENDS — FINANCIAL YEARS ENDING SEPTEMBER 30 1984

Charter Consolidated P.L.C.
PO Box 102
Charter House, Park Street
Ashford, Kent TN24 8EQ

Johannesburg
April 19 1984

London Office
40 Holborn Viaduct
London EC1P 1AJ

## PERSONAL



**AMBITIOUS**

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REQUEST. Ann Demeter, 790 Mohawk Rd. W., Hamilton, Ontario, Canada, L9C 6O6, seeks written contact by Mary Teresa Ross born Wembley, England, circa 1942, daughter of Harry A. Ross, Dundas, Ont., Canada.

## CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top Musicians, glamorous hostesses, exciting floorshows. 189, Regent St, 01-734 0557.